
State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Filing at a Glance

Company:	Continental General Insurance Company
Product Name:	Long Term Care
State:	Virginia
TOI:	LTC03I Individual Long Term Care
Sub-TOI:	LTC03I.001 Qualified
Filing Type:	Rate
Date Submitted:	03/12/2018
SERFF Tr Num:	GLTC-131254015
SERFF Status:	Closed-Approved
State Tr Num:	GLTC-131254015
State Status:	Approved
Co Tr Num:	CGI 440 LTC RATE INCREASE FILING, 2017
Implementation	On Approval
Date Requested:	
Author(s):	Deborah Keeler, Beth Lovaas, Cameron Zima, Eric Coldewey, Huyen Pham, Noah Simonson, Melissa Sample, Elizabeth O'Brien, Sean Zhou, Madison Nahrup
Reviewer(s):	Bill Dismore (primary)
Disposition Date:	09/04/2020
Disposition Status:	Approved
Implementation Date:	

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

General Information

Project Name: CGI 440 LTC RATE INCREASE FILING, 2017 Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type:
Overall Rate Impact: 55% Filing Status Changed: 09/04/2020
State Status Changed: 09/04/2020
Deemer Date: 06/05/2020 Created By: Eric Coldewey
Submitted By: Eric Coldewey Corresponding Filing Tracking Number:
State TOI: LTC03I Individual Long Term Care

Filing Description:

Dear Sir or Madam:

Enclosed for your review, please find copies of an Actuarial Memorandum and rate sheets in support of the current proposed increases on the above-referenced Individual Long-Term Care Insurance products. Detailed information regarding the calculation of the current proposed rate increases is given within the enclosed Actuarial Memorandum.

The base rate increase applies to the base policy and all applicable benefit riders for which a premium is paid. In addition to a base rate increase, an increase is being requested on the Inflation Guard Rider percentage load. The rate increases will be effective on the first premium due date subsequent to state insurance department approval and in accordance with state policyholder notification requirements, with the additional condition that no policyholder will receive a rate increase sooner than one year after receiving a prior rate increase, if applicable.

This filing applies to inforce policies issued in this state. The above-referenced policy forms are Individual Long-Term Care Insurance products, which are no longer being sold.

Enclosed are any necessary certifications, transmittals and/or filing fees as may be required by your state. I hope that with this information, your approval of this filing will be forthcoming. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Deborah A. Keeler, ASA, MAAA
Senior Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Company and Contact

Filing Contact Information

Stephanie Entzminger, Senior Actuarial Analyst I stephanie.entzminger@continental-ins.com

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

11001 Lakeline Blvd. 512-410-0854 [Phone]
Suite 120 512-257-0218 [FAX]
Austin, TX 78717

Filing Company Information

Continental General Insurance Company	CoCode: 71404	State of Domicile: Texas
11001 Lakeline Blvd	Group Code: 84	Company Type: Life & Health
Suite 120	Group Name:	State ID Number:
Austin, TX 78717	FEIN Number: 47-0463747	
(866) 830-0607 ext. [Phone]		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Bill Dismore	09/04/2020	09/04/2020

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bill Dismore	07/24/2020	07/24/2020
Info has been requested from company	Bill Dismore	04/06/2020	04/06/2020
Info has been requested from company	Bill Dismore	02/03/2020	02/03/2020
Info has been requested from company	Bill Dismore	11/22/2019	11/22/2019
Info has been requested from Actuary	Bill Dismore	10/25/2019	10/25/2019
Info has been requested from company	Bill Dismore	08/28/2019	08/28/2019
Info has been requested from company	Bill Dismore	04/12/2019	04/12/2019
Info has been requested from company	Bill Dismore	12/05/2018	12/05/2018
Info has been requested from company	Bill Dismore	10/25/2018	10/25/2018
Info has been requested from company	Bill Dismore	04/24/2018	04/24/2018

Response Letters

Responded By	Created On	Date Submitted
Cameron Zima	05/06/2020	05/06/2020
Cameron Zima	02/10/2020	02/10/2020
Huyen Pham	12/20/2019	12/20/2019
Huyen Pham	11/21/2019	11/21/2019
Eric Coldewey	08/29/2019	08/29/2019
Eric Coldewey	05/07/2019	05/07/2019
Eric Coldewey	12/05/2018	12/05/2018
Eric Coldewey	12/03/2018	12/03/2018
Eric Coldewey	07/05/2018	07/05/2018

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Extension Request	Note To Reviewer	Eric Coldewey	11/28/2018	11/28/2018
PH Letter Review	Reviewer Note	Bill Dismore	02/11/2020	
Suggested Rate Increase	Reviewer Note	Bill Dismore	10/24/2019	
Review Company Response to Objection Letter - 5/07/19	Reviewer Note	Bill Dismore	05/08/2019	
RRS	Reviewer Note	Bill Dismore	08/30/2018	
Actuarial Final Summary & Opinion Report	Reviewer Note	Bill Dismore	07/09/2018	

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Disposition

Disposition Date: 09/04/2020

Implementation Date:

Status: Approved

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Continental General Insurance Company	55.000%	55.000%	\$25,109	18	\$45,652	55.000%	55.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Certification of Compliance	Received & Acknowledged	Yes
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Response to Objection 4/24/2018	Received & Acknowledged	Yes
Supporting Document (revised)	Response to Objection 10/25/2018	Received & Acknowledged	Yes
Supporting Document	Response to Objection 12/5/2018	Received & Acknowledged	Yes
Supporting Document	Response to Objection 4/12/2019	Received & Acknowledged	Yes
Supporting Document	Response to Objection 8/28/2019	Received & Acknowledged	Yes
Supporting Document	Response to Objection Dated 10/25/2019	Received & Acknowledged	Yes
Supporting Document	Response to Objection Dated 11/22/2019	Received & Acknowledged	Yes
Supporting Document	Current Rate Sheets	Received & Acknowledged	Yes
Supporting Document	Response to Objection Sent 02/03/2020	Received & Acknowledged	Yes
Supporting Document	Response to Objection Sent 04/06/2020	Received & Acknowledged	Yes
Supporting Document	Certification of Compliance	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Response to Objection 10/25/2018	Withdrawn	No
Form (revised)	Removed	Withdrawn	Yes

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	CGI - RINC(VA)(0518)	Withdrawn	No
Rate (revised)	440 Proposed Rate Sheets - VA - 55%	Approved	Yes
Rate	440 Riders Unaffected by Rate Increase	Approved	Yes
Rate	NF-RPU (Nonforfeiture Benefit Rider)	Approved	Yes
Rate	440 Rate Sheets - VA	Withdrawn	No
Rate	440 Rate Sheets - VA	Withdrawn	No

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	07/24/2020
Submitted Date	07/24/2020
Respond By Date	08/31/2020

Dear Stephanie Entzminger,

Introduction:

The final approval of this filing is contingent upon the approval of a related filing as described below.

Objection 1

Comments: This filing is pending until the policyholder notification forms filed under SERFF # GLTC-131253864 are ready for approval.

Please do not respond to this objection until the BOI notifies the company the policyholder notification forms are ready for approval.

Conclusion:

We shall reconsider this submission once the related filing is ready for approval.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/06/2020
Submitted Date	04/06/2020
Respond By Date	05/06/2020

Dear Stephanie Entzminger,

Introduction:

Pending the Company's response to the rate increase notification forms filed under GLTC-131253864, please note:

Objection 1

Comments: Rate review has been completed and is pending the approval of the policyholder notification letter filed under GLTC-131253864.

Please respond to this objection when the Company sends their responses to the objections raised on 4/6/2020 under GLTC-131253864. Respond with the statement, "We have responded to the objections raised for the policyholder notification letter filed under GLTC-131253864."

Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/03/2020
Submitted Date	02/03/2020
Respond By Date	02/24/2020

Dear Stephanie Entzminger,

Introduction:

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please revise the Long Rate Request Summary to the proposed rate increase of 55%. Please conform that the actuarial memorandum and all supporting exhibits have been updated to reflect revised proposed increase of 55%.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/22/2019
Submitted Date	11/22/2019
Respond By Date	12/20/2019

Dear Stephanie Entzminger,

Introduction:

During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- 440 Rate Sheets - VA, [440, IG(Q)-1, HC(Q)] (Rate)

Comments: Rate/Rule Schedule

1. Please remove the current rate sheets from the proposed rate sheets and place the current rate sheets under the Supporting Documentation tab.
2. Please review the proposed rates and confirm that the proposed rates represent a 55% increase over the current rates. The proposed rates do not appear to have been changed.
3. Please review the Company Rate Information and revise the Minimum, Maximum and Overall % Change under the Rate/Rule Schedule tab to match the revised rate increase of 55%.
4. The proposed rates contain Form NF-RPU (Nonforfeiture Benefit Rider) that does not appear under the Affected Form Numbers section of the Rate/Rule Schedule. As this rider is not subject to the proposed rate increase, it should be separate from the Form 440 proposed rates and listed as a separate Item No. The Rate Action should be "Other" and the Percent Rate Change Request should be 0%.
5. Please explain why forms IG(Q)-1 and HC(Q) are listed under the Affected Form Numbers. We could not find any associated proposed rates for those two forms.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please revise the actuarial memorandum for this filing to list only the forms affected by this proposed rate revision (i.e. 440, IG(Q)-1, HC(Q), PAR and GPO). Otherwise, please provide an explanation for all the various forms listed at the beginning of the actuarial memorandum.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection letter is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should

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reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from Actuary
Objection Letter Date	10/25/2019
Submitted Date	10/25/2019
Respond By Date	11/22/2019

Dear Stephanie Entzminger,

Introduction:

Pursuant to our telephone conversation of 10/25/2019, please make the following revisions to the filing.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)
- Long Term Care Insurance Rate Request Summary (Supporting Document)
- 440 Rate Sheets - VA, [440, IG(Q)-1, HC(Q)] (Rate)

Comments: 1) Please submit a post-submission update revising the proposed rate increase to a 55% base increase for all policies regardless of the benefit period length.

2) Please revise the supporting documentation actuarial memorandum, exhibits and rate request summary to adjust for the revised proposed rate increase of 55%.

The Virginia Bureau of Insurance recommended the reduced increase due to the following concerns:

- Two significant rate increases have been approved (105% in 2005 and 50% in 2011) which have resulted in cumulative increases of 207%. The approval of the full requested increase of 136.1% on the base policy and 339.6% for policies with the inflation rider would have resulted in cumulative increases of 624% for no inflation plans and 878% for policies with inflation. This would have created an imbalance in State Rate Equity.
- As there are only 18 remaining policyholders in Virginia, the original requested rate increase is a significant burden for the remaining policyholders to bear.
- An alternative measure of testing for reasonableness of the premiums and to avoid recouping of past losses by calculating the lifetime loss ratio assuming the requested rates had been in effect from inception of the policy results in lifetime loss ratios well below 60% (23% for no inflation and 24% with auto inflation).
- State Rate Equity - A 55% rate increase would bring the Virginia cumulative totals more in line with the Nationwide results.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised documentation to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Company Tracking #: CGI 440 LTC RATE INCREASE
FILING, 2017

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	08/28/2019
Submitted Date	08/28/2019
Respond By Date	08/30/2019

Dear Stephanie Entzminger,

Introduction:

During our review, we need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: As the Virginia Bureau of Insurance nears the completion of the Company's rate increase request, is the Company willing to consider implementing the 55% rate increase on policies with the Inflation Guard rider and benefit period > 5 years as a series of increases over two or more years.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

State: Virginia
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Filing Company: Continental General Insurance Company

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/12/2019
Submitted Date	04/12/2019
Respond By Date	05/10/2019

Dear Stephanie Entzminger,

Introduction:

One or more items included within the submission have additional questions as set forth below.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: The VA Bureau of Insurance has a concern regarding the proposed rate increase given that only 18 policyholders remain. In addition, the Company's proposed increase request raises the VA cumulative increase total to 624% for policies without inflation and 878% for policies with inflation. The nationwide cumulative pending is much lower at 386% and 377% respectively. We understand that under 14VAC5-200-150 the requested increase is supported. However, in order to determine the appropriateness of the increase we also examine state rate equity, calculations of lifetime loss ratio assuming the requested rates had been in effect from inception of the policy (which are well below 60%). The purpose of the additional tests is to rule out state subsidization and recoupment of prior losses. When the block of business is broken down into benefit periods of less than 5 years and those greater than 5 years, the segments of business with benefit periods of less than 5 years do not support a rate increase.

1) Please provide a detailed explanation of the Company's plans for future rate increases if the proposed rate increase were approved. Provide a description of the lifetime loss ratio to which the Company will manage this block of business going forward and what would trigger a request for an additional rate increase.

2) Provide the Company's response, considering the additional tests performed regarding state rate equity and recoupment of past losses, towards the consideration of revising the rate increase to 0% for policy benefit periods of less than 5 years and 55% policies with benefit periods greater than 5 years.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	12/05/2018
Submitted Date	12/05/2018
Respond By Date	12/19/2018

Dear Stephanie Entzminger,

Introduction:

During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- CGI - RINC(VA)(0518), CGI - RINC(VA)(0518) (Form)

Comments: It appears that the Policyholder Notification Letter (CGI-RINC(VA)(0518) is the same letter as filed under SERFF # GLTC-131253864. If this is correct, please remove the Policyholder Letter from the Form Schedule and place the document under the Supporting Documentation tab.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned. Thank you.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
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Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	10/25/2018
Submitted Date	10/25/2018
Respond By Date	12/03/2018

Dear Stephanie Entzminger,

Introduction:

During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- Response to Objection 4/24/2018 (Supporting Document)

Comments: 1) Since the policyholder notification letter, change request form, and any other form used for policyholder rate increase notifications, become a part of the policy the forms are required to be filed for review. As such, they should be moved under the Form Schedule" section. If the Company intends to use a previously approved policyholder notification letter and/or form, please provide the SERFF tracking number for the approved letter and/or forms.

2) Pursuant to 14VAC5-200-75 D, an insurer is required to provide notice of an upcoming premium rate schedule increase to all policyholders at least 75 days prior to the implementation of the premium rate schedule increase. Please confirm that the company will comply with this requirement.

3) Amend the letter to provide a better explanation regarding the factors driving the rate increase. The use of insurance terms should be explained or reworded so that the explanation in the letter meets the need for more consumer-friendly language

4) Will the policyholder receive a revised schedule page if an option is elected? If so, please provide a copy of the form and the date approved, including the SERFF or State tracking number if available.

5) In the case of a partnership policy, provide a disclosure that some benefit reduction options may result in a loss in partnership status that may reduce policyholder protections.

6) Please include a statement of variability for the policyholder notification letter and Contingent Non-Forfeiture Benefit Election Form.

7) Pursuant to 14VAC 5-100-40 A 3, please include a certification similar to the following for the policyholder notification letter, or any other filed form if applicable.

8) A statement identical to the following which is signed by the General Counsel or an officer of the company or any attorney or actuary representing the company: The company has reviewed the enclosed policy form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.

9) Prior to resubmitting, the company may wish to review the requirements of 14VAC5-200-75 D and 14VAC5-100 et seq. to ensure that all applicable requirements have been met.

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Conclusion:

We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned. Thank you.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Objection Letter

Objection Letter Status Info has been requested from company
Objection Letter Date 04/24/2018
Submitted Date 04/24/2018
Respond By Date

Dear Stephanie Entzminger,

Introduction:

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

An initial review of this filing indicates the following concerns and questions. Please note, any revisions, modifications or changes of any type to a rate or form not specifically requested by us should be brought to our attention upon resubmission and explained in detail.

Objection 1

Comments: Rate/Rule Schedule

Please list all affected rider and endorsement form numbers in the "Affected Form Numbers:" section of the Rate/Rule Schedule.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please revise the actuarial certification to comply with 14VAC5-200-77 B. 2.

Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1. Please provide a copy of the original actuarial memorandum in Virginia, including original pricing assumptions, original anticipated loss ratio, and mix of business.

2. For all projections requested below, please comply with the following:

- a. Please remove any policies in paid-up status from all projections, both past and future.
- b. Please use the average maximum valuation interest rate for accumulation and discounting, including any discounting of claim reserves back to the incurral year.
- c. Please recompute nationwide earned premiums to assume Virginia rate levels (both the past and proposed rate changes in Virginia).

3. For each of the four subsets of the business corresponding to the combinations of (up to 5 year/>5 year benefit periods) and (with/without inflation rider), please provide (in Excel format) the following six nationwide projections (24 total):

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection
- d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception
- e. original assumptions and original premiums from inception
- f. actual past experience (claims, mortality, lapse) but original assumptions in the future, with all premiums at the original premium scale from inception

4. For each of the four subsets of the business above, please provide the active life reserves on a nationwide basis.

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

5. Please specify whether waived premiums are included in earned premiums and incurred claims; provide the waived premium amounts and impact on requested increase.

6. Please show both the claim reserve and the paid claims separately in the projections. Please specify whether the claim reserves are fixed at the time of the claim or adjusted over time to reflect experience as it emerges. Please provide a sufficiency analysis of the actual runout experience of historical claims over time versus the claim reserves that were assumed.

7. Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

8. Appendix D-1 shows that the implied voluntary lapse rate is significantly higher in the ultimate durations than the assumptions. Since this assumption greatly impacts the projected loss ratio, please explain why an overly conservative assumption is appropriate, and provide sensitivity projections with assumed lapses at experience levels.

Objection 4

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please expand the narrative in the "Summary of Key Information" so that any person reviewing this filing would understand the reason for the rate increase and its driving factors. Below is an example of what we would consider user friendly language:

When the policy was originally priced, premiums were based on projections regarding how long the policy stays in force, at what rate deaths occur, and when an insured voluntarily terminates his policy. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased to ensure that all claims are thoroughly funded.

Objection 5

Comments: Please explain the delay in requesting this rate increase. In the 2017 Annual Report submitted under SERFF GLTC-130623423, the actuary certified on June 30, 2017 that the premium was not sufficient to cover anticipated costs under best estimate assumptions and, "that a plan of action will be submitted to the commission within 60 days of this certification." The rate increase request was not submitted until 3/12/2018, well beyond 60 days from the actuarial certification that a plan of action would be submitted.

Objection 6

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain what steps the company has taken to minimize rate increases on this block of business.

Objection 7

- L&H Actuarial Memorandum (Supporting Document)

Comments: Provide the following pertaining to the policy 440 and the associated inflation guard rider (IGR):

1) In which states has the company requested rate increases on this block?

2) How do the rate changes requested in Virginia compare with those requested in other states?

3) What is the current status of the rate request in all applicable states for this block?

Objection 8

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1) Please identify the amount of Active Life reserves related to these policies.

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

2) For the next 10 years, provide the projected loss ratio using the following formula:

$[(Paid\ Claims + IBNP^* + IBNR^{**}) - Active\ Life\ Reserves] \text{ divided by } Projected\ Earned\ Premiums = Projected\ Loss\ Ratio$

(*) Incurred claims But Not Paid

(**) Incurred claims But Not Reported

Objection 9

- L&H Actuarial Memorandum (Supporting Document)

Comments: Provide a comparison of the differences in the assumptions used in this filing and the previous filing (SERFF # UTAC-126236299) to explain the need for an additional rate increase.

Objection 10

Comments: Please provide the policyholder notification letter pursuant to 14VAC5-200-75.

Conclusion:

We shall be pleased to reconsider this submission upon receipt of the information requested above. Upon subsequent review, other concerns may require attention.

Sincerely,

Bill Dismore

Insurance Market Examiner - Rates

Sincerely,

Bill Dismore

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
State:	Virginia	Filing Company:	Continental General Insurance Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
Product Name:	Long Term Care				
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/06/2020
Submitted Date	05/06/2020

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see the new Supporting Documentation section entitled "Response to Objection Sent 04/06/2020".

Related Objection 1

Comments: Rate review has been completed and is pending the approval of the policyholder notification letter filed under GLTC-131253864.

Please respond to this objection when the Company sends their responses to the objections raised on 4/6/2020 under GLTC-131253864. Respond with the statement, "We have responded to the objections raised for the policyholder notification letter filed under GLTC-131253864."

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Certification of Compliance
Comments:	
Attachment(s):	440 Certificate of Compliance - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Certification of Compliance</i>
Comments:	
Attachment(s):	<i>440 Certificate of Compliance - VA.pdf</i>

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedule Item Changes

Satisfied - Item:	Certification of Compliance
Comments:	
Attachment(s):	440 Certificate of Compliance - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Certification of Compliance</i>
Comments:	
Attachment(s):	<i>440 Certificate of Compliance - VA.pdf</i>

Satisfied - Item:	Response to Objection 10/25/2018
Comments:	
Attachment(s):	440 Objection 2 Response - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Response to Objection 10/25/2018</i>
Comments:	
Attachment(s):	<i>440 Objection 2 Response - VA.pdf CGI RINC(VA)(0518) Certificate of Compliance - VA.pdf CGI Statement of Variability.pdf</i>

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Certification of Compliance
Comments:	
Attachment(s):	440 Certificate of Compliance - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Certification of Compliance</i>
Comments:	
Attachment(s):	<i>440 Certificate of Compliance - VA.pdf</i>
Satisfied - Item:	Response to Objection 10/25/2018
Comments:	
Attachment(s):	440 Objection 2 Response - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Response to Objection 10/25/2018</i>
Comments:	
Attachment(s):	<i>440 Objection 2 Response - VA.pdf CGI RINC(VA)(0518) Certificate of Compliance - VA.pdf CGI Statement of Variability.pdf</i>
Satisfied - Item:	Response to Objection Sent 04/06/2020
Comments:	
Attachment(s):	CGI 440 Series VA Objection 9 - Response.pdf CGI Statement of Variability (VA) CGI - RINC(VA)(0120).pdf CGI Statement of Variability (VA) CGI - RINC(VA)(0120)-BR.pdf CGI Statement of Variability (VA) CGI - RINC(VA)(0120)-CNFO.pdf VA Readability Compliance Certification_For CGI 440.pdf CGI-RINC(VA)(0120).pdf CGI-RINC(VA)(0120)-BR.pdf CGI-RINC(VA)(0120)-CNFO.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Cameron Zima

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/10/2020
Submitted Date	02/10/2020

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see the new Supporting Documentation section entitled "Response to Objection Sent 02/03/2020".

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please revise the Long Rate Request Summary to the proposed rate increase of 55%. Please conform that the actuarial memorandum and all supporting exhibits have been updated to reflect revised proposed increase of 55%.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	440 Rate Request Summary - VA - Revised.pdf
<i>Previous Version</i>	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	440 Rate Request Summary (Revised) - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	440 Rate Request Summary - VA.pdf

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedule Item Changes

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
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Comments:	
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Attachment(s):	440 Rate Request Summary - VA - Revised.pdf
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Previous Version

Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
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Comments:	
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Attachment(s):	<i>440 Rate Request Summary (Revised) - VA.pdf</i>
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Previous Version

Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
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Comments:	
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Attachment(s):	<i>440 Rate Request Summary - VA.pdf</i>
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Satisfied - Item:	Response to Objection Sent 02/03/2020
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Comments:	
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Attachment(s):	440 Objection 8 Response - VA.pdf
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No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Cameron Zima

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
State:	Virginia	Filing Company:	Continental General Insurance Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
Product Name:	Long Term Care				
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/20/2019
Submitted Date	12/20/2019

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please find our response attached to the Supporting Documentation tab.

Related Objection 1

Applies To:

- 440 Rate Sheets - VA, [440, IG(Q)-1, HC(Q)] (Rate)

Comments: Rate/Rule Schedule

1. Please remove the current rate sheets from the proposed rate sheets and place the current rate sheets under the Supporting Documentation tab.
2. Please review the proposed rates and confirm that the proposed rates represent a 55% increase over the current rates. The proposed rates do not appear to have been changed.
3. Please review the Company Rate Information and revise the Minimum, Maximum and Overall % Change under the Rate/Rule Schedule tab to match the revised rate increase of 55%.
4. The proposed rates contain Form NF-RPU (Nonforfeiture Benefit Rider) that does not appear under the Affected Form Numbers section of the Rate/Rule Schedule. As this rider is not subject to the proposed rate increase, it should be separate from the Form 440 proposed rates and listed as a separate Item No. The Rate Action should be "Other" and the Percent Rate Change Request should be 0%.
5. Please explain why forms IG(Q)-1 and HC(Q) are listed under the Affected Form Numbers. We could not find any associated proposed rates for those two forms.

Changed Items:

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedule Item Changes

Satisfied - Item:	Response to Objection Dated 11/22/2019
Comments:	
Attachment(s):	440 Objection 7 Response - VA.pdf

Supporting Document Schedule Item Changes

Satisfied - Item:	Response to Objection Dated 11/22/2019
Comments:	
Attachment(s):	440 Objection 7 Response - VA.pdf

Satisfied - Item:	Current Rate Sheets
Comments:	
Attachment(s):	440 Current Rate Sheets - VA.pdf

No Form Schedule items changed.

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	440 Proposed Rate Sheets - VA - 55%	440, IG(Q)-1, HC(Q)	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request: 55	440 Proposed Rate Sheets - VA - 55%.pdf,	12/20/2019 By: Huyen Pham
<i>Previous Version</i>						
1	440 Rate Sheets - VA	440, IG(Q)-1, HC(Q)	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request: 277.9	440 Rate Sheets - VA.pdf,	07/05/2018 By: Eric Coldewey
<i>Previous Version</i>						
1	440 Rate Sheets - VA	440	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request: 277.9	440 Rate Sheets - VA.pdf,	03/12/2018 By: Eric Coldewey
2	NF-RPU (Nonforfeiture Benefit Rider)	NF-RPU	Other	Previous State Filing Number: UTAC-126236299 Rate Action Other Explanation: 0% Request	NF-RPU (Nonforfeiture Benefit Rider).pdf,	12/20/2019 By: Huyen Pham

Response 2

Comments:

Please find our response attached to the Supporting Documentation tab.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Comments: Please revise the actuarial memorandum for this filing to list only the forms affected by this proposed rate revision (i.e. 440, IG(Q)-1, HC(Q), PAR and GPO). Otherwise, please provide an explanation for all the various forms listed at the beginning of the actuarial memorandum.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 11/22/2019
Comments:	
Attachment(s):	440 Objection 7 Response - VA.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

*Sincerely,
Huyen Pham*

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
State:	Virginia	Filing Company:	Continental General Insurance Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
Product Name:	Long Term Care				
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/21/2019
Submitted Date	11/21/2019

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please find our response attached to the Supporting Documentation tab.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- 440 Rate Sheets - VA, [440, IG(Q)-1, HC(Q)] (Rate)
- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: 1) Please submit a post-submission update revising the proposed rate increase to a 55% base increase for all policies regardless of the benefit period length.

2) Please revise the supporting documentation actuarial memorandum, exhibits and rate request summary to adjust for the revised proposed rate increase of 55%.

The Virginia Bureau of Insurance recommended the reduced increase due to the following concerns:

- Two significant rate increases have been approved (105% in 2005 and 50% in 2011) which have resulted in cumulative increases of 207%. The approval of the full requested increase of 136.1% on the base policy and 339.6% for policies with the inflation rider would have resulted in cumulative increases of 624% for no inflation plans and 878% for policies with inflation. This would have created an imbalance in State Rate Equity.
- As there are only 18 remaining policyholders in Virginia, the original requested rate increase is a significant burden for the remaining policyholders to bear.
- An alternative measure of testing for reasonableness of the premiums and to avoid recouping of past losses by calculating the lifetime loss ratio assuming the requested rates had been in effect from inception of the policy results in lifetime loss ratios well below 60% (23% for no inflation and 24% with auto inflation).
- State Rate Equity - A 55% rate increase would bring the Virginia cumulative totals more in line with the Nationwide results.

Changed Items:

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 10/25/2019
Comments:	
Attachment(s):	440 Objection 6 Response - VA.pdf 440 Rate Request Summary - VA - Revised.pdf 440 Rate Sheets - VA - 55%.pdf 440 Actuarial Memorandum - VA - Revised.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

Sincerely,

Huyen Pham

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/29/2019
Submitted Date	08/29/2019

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see Response to Objection 8/28/2019 under the Supporting Documentation tab.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: As the Virginia Bureau of Insurance nears the completion of the Company's rate increase request, is the Company willing to consider implementing the 55% rate increase on policies with the Inflation Guard rider and benefit period > 5 years as a series of increases over two or more years.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 8/28/2019
Comments:	
Attachment(s):	440 Objection 5 Response - VA.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

Sincerely,

Eric Coldewey

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/07/2019
Submitted Date	05/07/2019

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see Response to Objection 4/12/2019 under the Supporting Documentation tab.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The VA Bureau of Insurance has a concern regarding the proposed rate increase given that only 18 policyholders remain. In addition, the Company's proposed increase request raises the VA cumulative increase total to 624% for policies without inflation and 878% for policies with inflation. The nationwide cumulative pending is much lower at 386% and 377% respectively. We understand that under 14VAC5-200-150 the requested increase is supported. However, in order to determine the appropriateness of the increase we also examine state rate equity, calculations of lifetime loss ratio assuming the requested rates had been in effect from inception of the policy (which are well below 60%). The purpose of the additional tests is to rule out state subsidization and recoupment of prior losses. When the block of business is broken down into benefit periods of less than 5 years and those greater than 5 years, the segments of business with benefit periods of less than 5 years do not support a rate increase.

1) Please provide a detailed explanation of the Company's plans for future rate increases if the proposed rate increase were approved. Provide a description of the lifetime loss ratio to which the Company will manage this block of business going forward and what would trigger a request for an additional rate increase.

2) Provide the Company's response, considering the additional tests performed regarding state rate equity and recoupment of past losses, towards the consideration of revising the rate increase to 0% for policy benefit periods of less than 5 years and 55% policies with benefit periods greater than 5 years.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 4/12/2019
Comments:	
Attachment(s):	440 Objection 4 Response - VA.pdf

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

Sincerely,

Eric Coldewey

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/05/2018
Submitted Date	12/05/2018

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see Response to Objection 12/5/2018 under the Supporting Documentation tab.

Related Objection 1

Applies To:

- CGI - RINC(VA)(0518), CGI - RINC(VA)(0518) (Form)

Comments: It appears that the Policyholder Notification Letter (CGI-RINC(VA)(0518) is the same letter as filed under SERFF # GLTC-131253864. If this is correct, please remove the Policyholder Letter from the Form Schedule and place the document under the Supporting Documentation tab.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 12/5/2018
Comments:	
Attachment(s):	440 Objection 3 Response - VA.pdf

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Form Schedule Item Changes									
Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data		Readability Score	Attachments	Submitted
1	Removed		OTH	Other	Removed per objection dated 12/5/2018				Date Submitted: 12/05/2018 By: Eric Coldewey
Previous Version									
1	CGI - RINC(VA)(0518)	CGI - RINC(VA)(0518)	OTH	Revised	Previous Filing Number:	GLTC-128905207		CGI Policyholder Notification Letter – VA.pdf	Date Submitted: 12/03/2018 By: Eric Coldewey
					Replaced Form Number:	CGI-RI-NOTICE2			

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

Sincerely,

Eric Coldewey

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/03/2018
Submitted Date	12/03/2018

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see Response to Objection 10/25/2018 under the Supporting Documentation tab.

Related Objection 1

Applies To:

- Response to Objection 4/24/2018 (Supporting Document)

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Comments: 1) Since the policyholder notification letter, change request form, and any other form used for policyholder rate increase notifications, become a part of the policy the forms are required to be filed for review. As such, they should be moved under the Form Schedule" section. If the Company intends to use a previously approved policyholder notification letter and/or form, please provide the SERFF tracking number for the approved letter and/or forms.

2) Pursuant to 14VAC5-200-75 D, an insurer is required to provide notice of an upcoming premium rate schedule increase to all policyholders at least 75 days prior to the implementation of the premium rate schedule increase. Please confirm that the company will comply with this requirement.

3) Amend the letter to provide a better explanation regarding the factors driving the rate increase. The use of insurance terms should be explained or reworded so that the explanation in the letter meets the need for more consumer-friendly language

4) Will the policyholder receive a revised schedule page if an option is elected? If so, please provide a copy of the form and the date approved, including the SERFF or State tracking number if available.

5) In the case of a partnership policy, provide a disclosure that some benefit reduction options may result in a loss in partnership status that may reduce policyholder protections.

6) Please include a statement of variability for the policyholder notification letter and Contingent Non-Forfeiture Benefit Election Form.

7) Pursuant to 14VAC 5-100-40 A 3, please include a certification similar to the following for the policyholder notification letter, or any other filed form if applicable.

8) A statement identical to the following which is signed by the General Counsel or an officer of the company or any attorney or actuary representing the company: The company has reviewed the enclosed policy form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.

9) Prior to resubmitting, the company may wish to review the requirements of 14VAC5-200-75 D and 14VAC5-100 et seq. to ensure that all applicable requirements have been met.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 10/25/2018
Comments:	
Attachment(s):	440 Objection 2 Response - VA.pdf CGI RINC(VA)(0518) Certificate of Compliance - VA.pdf CGI Statement of Variability.pdf

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

Sincerely,

Eric Coldewey

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/05/2018
Submitted Date	07/05/2018

Dear Bill Dismore,

Introduction:

Response 1

Comments:

Please see Response to Objection 4/24/2018 on the Supporting Documentation tab.

Related Objection 1

Comments: Rate/Rule Schedule

Please list all affected rider and endorsement form numbers in the "Affected Form Numbers:" section of the Rate/Rule Schedule.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 4/24/2018
Comments:	
Attachment(s):	440 Objection 1 Response - VA.pdf 440 Objection 1 Response Exhibits - VA.xlsx CGI Policyholder Notification Letter – VA.pdf 440 Original Memorandum (1).pdf 440 Original Memorandum (2).pdf

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection 4/24/2018
Comments:	
Attachment(s):	440 Objection 1 Response - VA.pdf 440 Objection 1 Response Exhibits - VA.xlsx CGI Policyholder Notification Letter – VA.pdf 440 Original Memorandum (1).pdf 440 Original Memorandum (2).pdf
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	440 Rate Request Summary (Revised) - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>440 Rate Request Summary - VA.pdf</i>

No Form Schedule items changed.

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	440 Riders Unaffected by Rate Increase	PAR, GPO	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request:		07/05/2018 By: Eric Coldewey
2	440 Rate Sheets - VA	440, IG(Q)-1, HC(Q)	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request: 277.9	440 Rate Sheets - VA.pdf,	07/05/2018 By: Eric Coldewey
<i>Previous Version</i>						
2	440 Rate Sheets - VA	440	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request: 277.9	440 Rate Sheets - VA.pdf,	03/12/2018 By: Eric Coldewey

Response 2

Comments:

Please see response to Objection 1.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please revise the actuarial certification to comply with 14VAC5-200-77 B. 2.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response 3

Comments:

Please see response to Objection 1.

Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
State:	Virginia	Filing Company:	Continental General Insurance Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
Product Name:	Long Term Care				
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/				

Comments: 1. Please provide a copy of the original actuarial memorandum in Virginia, including original pricing assumptions, original anticipated loss ratio, and mix of business.

2. For all projections requested below, please comply with the following:

- a. Please remove any policies in paid-up status from all projections, both past and future.
- b. Please use the average maximum valuation interest rate for accumulation and discounting, including any discounting of claim reserves back to the incurral year.
- c. Please recompute nationwide earned premiums to assume Virginia rate levels (both the past and proposed rate changes in Virginia).

3. For each of the four subsets of the business corresponding to the combinations of (up to 5 year/>5 year benefit periods) and (with/without inflation rider), please provide (in Excel format) the following six nationwide projections (24 total):

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection
- d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception
- e. original assumptions and original premiums from inception
- f. actual past experience (claims, mortality, lapse) but original assumptions in the future, with all premiums at the original premium scale from inception

4. For each of the four subsets of the business above, please provide the active life reserves on a nationwide basis.

5. Please specify whether waived premiums are included in earned premiums and incurred claims; provide the waived premium amounts and impact on requested increase.

6. Please show both the claim reserve and the paid claims separately in the projections. Please specify whether the claim reserves are fixed at the time of the claim or adjusted over time to reflect experience as it emerges. Please provide a sufficiency analysis of the actual runout experience of historical claims over time versus the claim reserves that were assumed.

7. Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

8. Appendix D-1 shows that the implied voluntary lapse rate is significantly higher in the ultimate durations than the assumptions. Since this assumption greatly impacts the projected loss ratio, please explain why an overly conservative assumption is appropriate, and provide sensitivity projections with assumed lapses at experience levels.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

No Rate/Rule Schedule items changed.

Response 4

Comments:

Please see response to Objection 1.

Related Objection 4

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please expand the narrative in the "Summary of Key Information" so that any person reviewing this filing would understand the reason for the rate increase and its driving factors. Below is an example of what we would consider user friendly language:

When the policy was originally priced, premiums were based on projections regarding how long the policy stays in force, at what rate deaths occur, and when an insured voluntarily terminates his policy. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased to ensure that all claims are thoroughly funded.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	440 Rate Request Summary (Revised) - VA.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>440 Rate Request Summary - VA.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments:

Please see response to Objection 1.

Related Objection 5

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
State:	Virginia	Filing Company:	Continental General Insurance Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
Product Name:	Long Term Care				
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/				

Comments: Please explain the delay in requesting this rate increase. In the 2017 Annual Report submitted under SERFF GLTC-130623423, the actuary certified on June 30, 2017 that the premium was not sufficient to cover anticipated costs under best estimate assumptions and, "that a plan of action will be submitted to the commission within 60 days of this certification." The rate increase request was not submitted until 3/12/2018, well beyond 60 days from the actuarial certification that a plan of action would be submitted.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments:

Please see response to Objection 1.

Related Objection 6

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain what steps the company has taken to minimize rate increases on this block of business.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7

Comments:

Please see response to Objection 1.

Related Objection 7

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Comments: Provide the following pertaining to the policy 440 and the associated inflation guard rider (IGR):

- 1) In which states has the company requested rate increases on this block?
- 2) How do the rate changes requested in Virginia compare with those requested in other states?
- 3) What is the current status of the rate request in all applicable states for this block?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 8

Comments:

Please see response to Objection 1.

Related Objection 8

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1) Please identify the amount of Active Life reserves related to these policies.

- 2) For the next 10 years, provide the projected loss ratio using the following formula:

$$[(\text{Paid Claims} + \text{IBNP}^* + \text{IBNR}^{**}) - \text{Active Life Reserves}] \text{ divided by Projected Earned Premiums} = \text{Projected Loss Ratio}$$

(*) Incurred claims But Not Paid

(**) Incurred claims But Not Reported

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Response 9

Comments:

Please see response to Objection 1.

Related Objection 9

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Provide a comparison of the differences in the assumptions used in this filing and the previous filing (SERFF # UTAC-126236299) to explain the need for an additional rate increase.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 10

Comments:

Please see response to Objection 1.

Related Objection 10

Comments: Please provide the policyholder notification letter pursuant to 14VAC5-200-75.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your continued review of this filing.

Sincerely,

Eric Coldewey

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Note To Reviewer

Created By:

Eric Coldewey on 11/28/2018 04:52 PM

Last Edited By:

Bill Dismore

Submitted On:

04/02/2020 10:01 AM

Subject:

Extension Request

Comments:

May the Company please be granted a two-day extension to respond to the Department's letter dated 10/25/2018? If granted, we will provide a response by 11/30/2018.

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Reviewer Note

Created By:

Bill Dismore on 02/11/2020 07:40 AM

Last Edited By:

Bill Dismore

Submitted On:

08/18/2020 01:22 PM

Subject:

PH Letter Review

Comments:

PH Letter Review is being handled under SERFF GLTC-131253864.

SERFF Tracking #: GLTC-131254015

State Tracking #: GLTC-131254015

Company Tracking #: CGI 440 LTC RATE INCREASE
FILING, 2017

State: Virginia

Filing Company: Continental General Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name: Long Term Care

Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Reviewer Note

Created By:

Bill Dismore on 10/24/2019 02:47 PM

Last Edited By:

Bill Dismore

Submitted On:

02/03/2020 08:56 AM

Subject:

Suggested Rate Increase

Comments:

10/24/2019 - After reviewing the actuarial summary and responses from the Company, the VA BOI requested that the Company consider a 55% base rate increase. After discussion and review, the Company agreed to reduce their original rate increase request.

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Reviewer Note

Created By:

Bill Dismore on 05/08/2019 08:09 AM

Last Edited By:

Bill Dismore

Submitted On:

02/03/2020 08:56 AM

Subject:

Review Company Response to Objection Letter - 5/07/19

Comments:

5/07/2019 - Referred Company's response to Chief for review and consideration of acceptance of lower rate increase.

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Reviewer Note

Created By:

Bill Dismore on 08/30/2018 01:42 PM

Last Edited By:

Bill Dismore

Submitted On:

09/04/2020 08:43 AM

Subject:

RRS

Comments:

Rate Review Summary updated on 11/21/2019

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Reset Form

Company Name and NAIC Number:	Continental General Insurance Company, NAIC #71404
SERFF Tracking Number:	GLTC-131254015
Effective Date:	On approval, as allowed per regulation.

Revised Rates

Average Annual Premium Per Member:	3,931
Average Requested Percentage Rate Change Per Member:	55.0%
Minimum Requested Percentage Rate Change Per Member:	55.0%
Maximum Requested Percentage Rate Change Per Member:	55.0%
Number of Policy Holders Affected :	18

Plans Affected

(The Form Number and “Product Name”)

Form#	“Product Name”(if applicable)
440	N/A

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

Please see the attached Summary of Key Information.

This document is intended to help explain the rate filing and it is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.

Summary of Key Information

The main drivers of the rate increase need on policy forms 440 et al. are increased persistency and increased morbidity compared to that assumed at the time of original pricing. Policyholders are retaining their policies longer than was anticipated when these products were initially priced, which is resulting in more policies reaching advanced ages at which claims occur more frequently and with higher severity.

The rate increase justified for these policy forms was determined on a fully prospective basis using best estimate assumptions. The assumptions and methods used to calculate the justified rate increase need are summarized in more detail in Section IV and Section V of the Actuarial Memorandum.

Long Term Care Insurance Rate Request Summary Part 2 –To Be Completed by Bureau of Insurance

Company Name and NAIC Number: Continental General Insurance Company - 71404

SERFF Tracking Number: GLTC-131254015

Disposition: Approved

Approval Date: 9/04/2020

Revised Rates

Average Annual Premium Per Member: \$3,931

Average Requested Percentage Rate Change Per Member: 55.0%

Minimum Requested Percentage Rate Change Per Member: 55.0%

Maximum Requested Percentage Rate Change Per Member: 55.0%

Number of Policy Holders Affected: 18

Summary of the Bureau of Insurance's review of the rate request:

The Company requested, and the Bureau approved a rate increase averaging 55.0% for this block of individual long-term care insurance policy forms.

The filing was reviewed by the Bureau's consulting actuary and determined to comply with the requirements for a rate increase set forth in 14VAC5-200-150 of the Virginia Administrative Code for policies issued prior to October 1, 2003. The review indicated that the anticipated loss ratio for the entire block, reflecting claims payout, will be 167.7% with the increase, which exceeds the minimum required loss ratio of 60%.

The Company has advised that they do intend to request future rates increases on this block. Any future request must be filed, reviewed and approved by the Virginia Bureau of Insurance.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at:

<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Reviewer Note

Created By:

Bill Dismore on 07/09/2018 01:35 PM

Last Edited By:

Bill Dismore

Submitted On:

08/18/2020 01:21 PM

Subject:

Actuarial Final Summary & Opinion Report

Comments:

7/09/2018 -Assigned to Shawn Parks (ARC). Review by date 7/24/2018.

8/29/2018-Received Final Summary Report



SHAWN D. PARKS, FSA, MAAA
1114 CATAWBA RIVER RD • GREAT FALLS, SC 29055
(803) 994 - 9895 • SHAWN.PARKS@ARCGA.COM

August 29, 2018

Life and Health Division
Bureau of Insurance
State Corporation Commission
P. O. Box 1157
Richmond, VA 23218

Subject: **Long Term Care Rate Increase Request**
SERFF Tracking #GLTC-131254015

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **Continental General Insurance Company** (the “Company”). This is a filing of revised premium rates for a block of Individual Long Term Care Insurance plans.

Recommendation

My review of this filing was performed according to the provisions of 14VAC5-200-150. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I believe that the Company has demonstrated that the request is in compliance with all applicable regulations and recommend that the Bureau disapprove the rate increase as proposed. An alternative is discussed in the Conclusions section below.

Background

The Company submitted a request for a rate increase for this block of business “because Company experience on its Long-Term Care Insurance business indicates that the premium rates for these policy forms are inadequate.” The increase is 136.1% on the base policy and 339.6% for policies with the inflation rider, with an average increase of 277.9%. This policy form was issued in Virginia from 1997-2001 and, as of 12/31/2016, there were 18 policyholders in force with \$46k of annualized premium, which is less than 1% of the nationwide inforce. Fifteen of those policyholders also have the inflation rider. There have been two prior rate increases in the state for the base rates – 104.5% in 2005 and 50% in 2011.

Methodology

My approach was to a) review the filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, d) review the assumptions and projections for reasonableness, and e) perform any other tests deemed appropriate.

Analysis

Assumptions

Morbidity – The current morbidity assumptions are based on the 2014 Milliman LTCGs modified to reflect Company experience from 2009 through 6/2016.

Voluntary Lapse – the current lapse assumptions are based on Company experience. The ultimate lapse rate ranges from 0.24% to 1.44% and varies by marital status and inflation type. There is an additional multiplier to reflect higher lapses for males. The product was originally priced using total termination assumptions.

Mortality – The mortality is based on 100% of the Annuity 2000 Basic Table with mortality steepening factors applied, historical mortality improvement, and selection factors.

Interest – the projections are discounted at the average valuation interest rate of 4.5%.

Policyholder Behavior

The Company assumes shock lapses of 10.0% and benefit reductions of 2.0% to 3.1% as a result of these rate increases. Also, a morbidity adjustment of 0.8% is used to account for nonforfeiture liability and 1.6% extra morbidity for anti-selection.

Actual to Expected Results

For lapses, the experience by duration in Appendix D-1 shows that actual lapse experience is not as low as the assumptions would dictate. See Persistency Sensitivity section below for a discussion.

For lapses, the experience by duration shows that the expected lapse rate is almost always lower than the actual (implied) lapse rate. This could lead to projections which are too conservative.

The claim experience contains 535 claims nationwide, which the Company asserts is 70.3% credible versus their standard of 1,082 claims. The A/E ratio under the new assumptions is 110% when adjusted for credibility.

Loss Ratio Test

The filing was analyzed for compliance with the loss ratio standards defined in 14VAC5-200-150. The original expected lifetime loss ratio was 62% using a 4.5% average valuation interest rate for the actual policies issued. The Bureau has directed that the

minimum loss ratio to be the greater of 60% and the original expected loss ratio for actual policies issued (62%). The projected lifetime loss ratios below are in compliance with that interpretation. In addition, since the lifetime loss ratios exceed 80%, they also comply with the 60/80 test.

		Before Increase		After Increase		Proposed from Inception
Inflation	Requested Increase	Future LR*	Lifetime LR	Future LR*	Lifetime LR	
None	136.1%	166%	102%	83%	88%	23%
Auto	339.6%	271%	175%	74%	102%	24%

* after deducting ALR

Highlighted is the alternative measure of testing for reasonableness of the premiums and to avoid recouping of past losses by calculating the lifetime loss ratio assuming the requested rates had been in effect from inception of the policy, which is well below 60%. This measure is a quite restrictive benchmark which is not required by Virginia regulations, but is useful when assessing the request holistically. I typically recommend action based on this measure only when the resulting loss ratios are very low and other flags are also raised, as is the case with this filing.

State Rate Equity

The chart below shows the cumulative rate increases in Virginia and the average nationwide, both current and including pending or to be filed increases.

Inflation	Requested Increase	VA Cum Current	VA Cum Pending	NW Cum Current	NW Cum Pending	Equitable Range
None	136.1%	207%	624%	275%	386%	22%-59%
Auto	339.6%	207%	878%	232%	377%	8%-55%

As shown in the final column, the range of rate increase which would put Virginia rates on par with the average nationwide is less than the requested increase. I therefore recommend that the Bureau limit the increase that it is willing to approve to the amount that would place Virginia's rates in line with the "NW Cum Pending" column above, which would be 55%.

Persistency Sensitivity

The actual lapse experience shown in Appendix D-1 is higher than the assumed ultimate lapse rate, and because this assumption is critical in the future projections, I asked the Company to provide sensitivity projections with higher lapse rates. The lifetime loss ratio under this sensitivity is 82% with inflation and 76% without inflation, leading me to conclude that the increase would be in compliance even with a 0.5% higher lapse rate.

Policyholder Equity

I asked the Company to provide projections separated by benefit period and inflation type, but they responded as follows: "Experience split by benefit period is not readily available to provide to the Bureau. This is a relatively large undertaking, and we do not currently have the resources to focus on this task." As shown above, they did provide data split by inflation type, but since they did not provide the data split by benefit period

and since loss ratios are typically lower for policies with limited benefit periods, I would recommend that policies with benefit period of 5 years or less be excluded from any rate increase.

Policyholder Options

The Company intends to offer several options for policyholders to reduce the impact of this premiums increase, including:

- surrender of ROP rider for value;
- typical benefit reductions; or
- a contingent nonforfeiture offer.

Conclusions

The policies to which this increase would apply have already experienced two significant increases in past years, with the current premiums approximately three times the original premium. Considering only the loss ratio tests of 14VAC5-200-150, the full increase would be supported. However, the Bureau has asked me for each LTC review to consider other tests that I feel are appropriate to determine the appropriateness of the increase. The results of these additional tests show that there are some concerns with approval of the full requested rate increase. I therefore recommend that the Bureau suggest the following modified rate increase as a compromise:

Inflation	Benefit Period	Requested Increase	Suggested Increase
None	<= 5 yrs	136.1%	0%
None	> 5 yrs	136.1%	55%
Auto	<= 5 yrs	339.6%	0%
Auto	> 5 yrs	339.6%	55%

Reliance and Qualifications

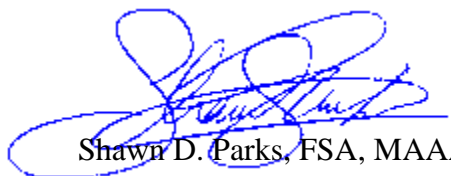
I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.

I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.

If you have any questions regarding this filing, please contact me for discussion.

Sincerely,



Shawn D. Parks, FSA, MAAA

State: Virginia **Filing Company:** Continental General Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Long Term Care
Project Name/Number: CGI 440 LTC RATE INCREASE FILING, 2017/

Post Submission Update Request Processed On 11/22/2019

Status: Allowed
Created By: Huyen Pham
Processed By: Bill Dismore
Comments:

General Information:

Field Name	Requested Change	Prior Value
Overall Rate Impact	55	277.9

Company Rate Information:

Company Name:Continental General Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	55.000%	277.900%
Overall % Rate Impact	55.000%	277.900%
Written Premium Change for this Program	\$25109	\$126876
Maximum %Change (where required)	55.000%	339.600%
Minimum %Change (where required)	55.000%	136.100%

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Form Schedule

Lead Form Number: 440, et. al.

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1	Withdrawn 09/04/2020	Removed		OTH	Other	Removed per objection dated 12/5/2018		

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NAP	Network Access Plan
NOC	Notice of Coverage	OTH	Other
OUT	Outline of Coverage	PJK	Policy Jacket
POL	Policy/Contract/Fraternal Certificate	POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider
PRC	Provider Contract/Provider Addendum/Provider Leading Agreement	PRD	Provider Directory

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
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State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	50.000%
Effective Date of Last Rate Revision:	06/20/2011
Filing Method of Last Filing:	SERFF
SERFF Tracking Number of Last Filing:	UTAC-126236299

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Continental General Insurance Company	55.000%	55.000%	\$25,109	18	\$45,652	55.000%	55.000%

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		440 Proposed Rate Sheets - VA - 55%	440, IG(Q)-1, HC(Q)	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request: 55	440 Proposed Rate Sheets - VA - 55%.pdf,
2		440 Riders Unaffected by Rate Increase	PAR, GPO	Revised	Previous State Filing Number: UTAC-126236299 Percent Rate Change Request:	
3		NF-RPU (Nonforfeiture Benefit Rider)	NF-RPU	Other	Previous State Filing Number: UTAC-126236299 Rate Action Other Explanation: 0% Request	NF-RPU (Nonforfeiture Benefit Rider).pdf,

Continental General Insurance Company
Individual Long Term Care Insurance Policy Forms:
440, 442, 443, 444, 445, 446, 448, 449

The Company has revised the structure of its rate sheets to demonstrate the Inflation Guard Rider rates in dollars rather than factor loads. Rate sheets are provided for base and base with the Inflation Guard Rider. These rate sheets provide a better representation of the premiums being charged to policyholders with these benefits.

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	100	91	77	137	123	100	163	151	128
50-54	105	95	81	142	128	105	167	156	133
55-59	146	133	114	200	181	146	246	228	195
60	233	209	172	300	272	228	365	342	300
61	242	214	181	309	281	242	391	360	314
62	256	228	191	323	295	246	405	377	323
63	272	242	195	346	314	265	432	405	351
64	295	260	209	365	332	277	460	428	365
65	337	300	242	432	395	332	537	500	437
66	377	332	265	470	428	356	591	546	470
67	405	360	291	518	470	391	651	605	518
68	446	400	323	570	518	437	709	660	574
69	486	432	346	628	570	474	793	737	628
70	528	470	386	688	628	523	870	809	693
71	591	523	423	760	693	574	956	888	756
72	646	574	465	846	770	642	1,056	979	837
73	704	628	514	946	860	714	1,179	1,097	946
74	774	688	565	1,046	951	793	1,297	1,207	1,042
75	865	770	623	1,165	1,060	879	1,439	1,342	1,146
76	956	851	693	1,302	1,183	979	1,602	1,488	1,274
77	1,065	946	770	1,446	1,316	1,093	1,783	1,660	1,425
78	1,169	1,042	851	1,602	1,460	1,211	1,967	1,830	1,574
79	1,283	1,142	932	1,748	1,593	1,330	2,158	2,006	1,730
80	1,397	1,242	1,011	1,897	1,725	1,451	2,348	2,181	1,888
81	1,511	1,342	1,093	2,044	1,858	1,569	2,539	2,358	2,044
82	1,625	1,439	1,174	2,192	1,993	1,688	2,730	2,534	2,202
83	1,739	1,539	1,256	2,339	2,125	1,807	2,918	2,709	2,358
84	1,853	1,639	1,337	2,485	2,258	1,925	3,109	2,885	2,516

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit
Including Inflation Guard Rider**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
Age	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	165	150	127	226	203	165	269	249	211
50-54	170	154	132	230	207	170	271	252	215
55-59	234	212	182	320	290	234	394	365	312
60	367	331	272	474	430	360	577	540	474
61	380	336	285	485	442	380	613	566	493
62	402	358	299	507	464	387	635	591	507
63	424	377	305	540	490	413	675	631	548
64	461	406	326	569	519	432	718	667	569
65	523	465	375	670	613	515	832	775	678
66	584	515	411	728	663	551	915	847	728
67	623	555	448	798	723	602	1,003	931	798
68	687	616	498	877	798	673	1,092	1,017	884
69	743	662	530	960	872	726	1,213	1,128	960
70	808	719	591	1,053	960	800	1,330	1,238	1,060
71	892	790	639	1,148	1,046	867	1,443	1,341	1,141
72	963	856	693	1,261	1,147	956	1,573	1,458	1,247
73	1,043	929	760	1,400	1,273	1,056	1,745	1,624	1,400
74	1,130	1,005	825	1,528	1,388	1,158	1,894	1,762	1,521
75	1,254	1,116	903	1,689	1,537	1,274	2,087	1,945	1,662
76	1,376	1,225	998	1,875	1,704	1,410	2,307	2,143	1,835
77	1,523	1,353	1,100	2,068	1,882	1,563	2,550	2,374	2,038
78	1,661	1,479	1,208	2,275	2,073	1,720	2,793	2,598	2,235
79	1,810	1,610	1,315	2,465	2,246	1,875	3,042	2,829	2,439
80	1,956	1,738	1,416	2,656	2,415	2,031	3,288	3,053	2,643
81	2,101	1,865	1,519	2,841	2,582	2,181	3,529	3,277	2,841
82	2,243	1,986	1,620	3,026	2,750	2,329	3,767	3,497	3,038
83	2,383	2,109	1,720	3,204	2,911	2,475	3,997	3,711	3,230
84	2,520	2,229	1,818	3,380	3,070	2,618	4,228	3,924	3,421

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440

Home Health Care Rider Per \$10 Daily Benefit, 5 Day Elimination Period

Age	Base Plan			Base Plan With Inflation Guard Rider		
	2 Year	4 Year	Unlimited	2 Year	4 Year	Unlimited
	Maximum	Maximum	Maximum	Maximum	Maximum	Maximum
45-49	58	77	123	96	127	203
50-54	58	81	128	94	132	207
55-59	67	100	163	108	160	260
60	81	119	191	129	187	301
61	86	128	205	135	201	321
62	91	137	219	142	215	343
63	95	142	228	149	221	355
64	105	151	242	163	236	377
65	109	167	265	169	259	411
66	114	177	281	177	274	436
67	123	186	295	190	286	455
68	128	200	319	197	308	491
69	142	214	342	217	327	523
70	151	228	365	231	349	558
71	163	242	391	246	365	590
72	177	260	419	263	388	624
73	191	286	456	282	423	674
74	200	309	495	292	451	723
75	219	332	532	317	482	772
76	237	360	579	341	519	834
77	260	395	632	372	565	904
78	281	423	674	399	601	957
79	305	456	732	429	643	1,033
80	328	505	809	459	706	1,133
81	356	537	860	494	747	1,196
82	381	570	914	526	786	1,261
83	409	605	965	561	828	1,322
84	432	637	1,018	588	866	1,385

Premium Modal Factors

Semi-Annual:	0.520 of Annual Rate	Monthly Direct:	0.090 of Annual Rate
Quarterly:	0.265 of Annual Rate	Monthly B.O.M.:	0.085 of Annual Rate

Continental General Insurance Company
Form NF-RPU
Nonforfeiture Benefit Rider

Policy Form 440

<u>Issue Ages</u>	<u>Premium Percentages %</u>
45-54	20
55-59	18
60-64	16
65-69	15
70-74	14
75-79	13
80-84	12

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Supporting Document Schedules

Satisfied - Item:	Certification of Compliance
Comments:	
Attachment(s):	440 Certificate of Compliance - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	05/08/2020

Satisfied - Item:	Product Checklist
Comments:	
Attachment(s):	440 Product Checklist - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	440 Cover Letter - VA.pdf 440 Actuarial Memorandum - VA.pdf 440 Exhibits - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	440 Rate Request Summary - VA - Revised.pdf
Item Status:	Received & Acknowledged
Status Date:	02/11/2020

Satisfied - Item:	Response to Objection 4/24/2018
Comments:	
Attachment(s):	440 Objection 1 Response - VA.pdf 440 Objection 1 Response Exhibits - VA.xlsx CGI Policyholder Notification Letter – VA.pdf 440 Original Memorandum (1).pdf 440 Original Memorandum (2).pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Satisfied - Item:	Response to Objection 10/25/2018
Comments:	
Attachment(s):	440 Objection 2 Response - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	05/08/2020

Satisfied - Item:	Response to Objection 12/5/2018
Comments:	
Attachment(s):	440 Objection 3 Response - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

Satisfied - Item:	Response to Objection 4/12/2019
Comments:	
Attachment(s):	440 Objection 4 Response - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

Satisfied - Item:	Response to Objection 8/28/2019
Comments:	
Attachment(s):	440 Objection 5 Response - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

Satisfied - Item:	Response to Objection Dated 10/25/2019
Comments:	
Attachment(s):	440 Objection 6 Response - VA.pdf 440 Rate Request Summary - VA - Revised.pdf 440 Rate Sheets - VA - 55%.pdf 440 Actuarial Memorandum - VA - Revised.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020

Satisfied - Item:	Response to Objection Dated 11/22/2019
Comments:	
Attachment(s):	440 Objection 7 Response - VA.pdf
Item Status:	Received & Acknowledged

State:	Virginia	Filing Company:	Continental General Insurance Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Long Term Care		
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/		

Status Date:	02/03/2020
Satisfied - Item:	Current Rate Sheets
Comments:	
Attachment(s):	440 Current Rate Sheets - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/03/2020
Satisfied - Item:	Response to Objection Sent 02/03/2020
Comments:	
Attachment(s):	440 Objection 8 Response - VA.pdf
Item Status:	Received & Acknowledged
Status Date:	02/11/2020
Satisfied - Item:	Response to Objection Sent 04/06/2020
Comments:	
Attachment(s):	CGI 440 Series VA Objection 9 - Response.pdf CGI Statement of Variability (VA) CGI - RINC(VA)(0120).pdf CGI Statement of Variability (VA) CGI - RINC(VA)(0120)-BR.pdf CGI Statement of Variability (VA) CGI - RINC(VA)(0120)-CNFO.pdf VA Readability Compliance Certification_For CGI 440.pdf CGI-RINC(VA)(0120).pdf CGI-RINC(VA)(0120)-BR.pdf CGI-RINC(VA)(0120)-CNFO.pdf
Item Status:	Received & Acknowledged
Status Date:	05/08/2020

SERFF Tracking #:	GLTC-131254015	State Tracking #:	GLTC-131254015	Company Tracking #:	CGI 440 LTC RATE INCREASE FILING, 2017
State:	Virginia	Filing Company:	Continental General Insurance Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
Product Name:	Long Term Care				
Project Name/Number:	CGI 440 LTC RATE INCREASE FILING, 2017/				

Attachment 440 Objection 1 Response Exhibits - VA.xlsx is not a PDF document and cannot be reproduced here.

**STATE OF VIRGINIA
ACTUARIAL CERTIFICATION**

Form numbers

440, 442, 443, 444, 445, 446, 448, 449, 450, 460, 461, 462, 463, 470, 471

The company has reviewed the enclosed policy form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.

May 05, 2020

Date

Continental General Insurance Company

COMPANY NAME

A handwritten signature in black ink, appearing to read 'Madison P. Nahrup', with a stylized flourish at the end.

Actuary Signature

Madison P. Nahrup, ASA, MAAA

Name and Title

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
General Filing Requirements		
Transmittal Letter	14 VAC 5-100-40	For Paper Filings: Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14 VAC 5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters, or a combination of both.
	14 VAC 5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14 VAC 5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14 VAC 5-100-40 5	Description of market for which the form is intended.
	14 VAC 5-100-40 6	For Paper Filings: At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a "stamped" copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and NAIC number of the company for which the filing is made.
Additional SERFF Filing Requirements	Administrative Letter 2012-03	Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings. Failure to provide the applicable information will result in a "rejected" filing.
General Information – Filing Description		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.
		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
HELP TIP:		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
Rate Changes		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
Forms		
Form number	14 VAC 5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company name & address	14 VAC 5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final form	14 VAC 5-100-50 3	Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14 VAC 5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If application was previously approved, advise date of approval.)
Type Size	14 VAC 5-100-50 5	Individual Accident and Sickness forms must be printed with type size of at least ten-point type. All other forms must be printed with type size of at least eight-point.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Insurance Code does not define "Insurance Fraud." Any notice regarding insurance fraud is in non-compliance with this section of the Code. Variations in a notice warning of consequences of making fraudulent statements are acceptable. The notice may disclose that it does not apply in Virginia or may disclose states where applicable.
Readability Certification	14 VAC 5-110-60	Readability certification is required as described in the regulation.
Entire Consideration	§ 38.2-3500 A 1	The entire consideration is expressed in the policy.
Effective-Termination Time	§ 38.2-3500 A 2	The time (clock time) the policy becomes effective and terminates is expressed in the policy.
DMAS Payor of Last Resort	§ 38.2-3500 A 7	Every accident and health policy must contain a statement indicating the Department of Medical Assistance Services as the payor of last resort.
Definition of Eligible Family members	§ 38.2-3500 C	The definition establishes that eligible dependent children may not be required to live in the household as the policyowner.
Handicapped Child Coverage	§ 38.2-3409	Upon termination due to age, coverage will be continued for: (1) persons incapable of self-sustaining employment by reason of intellectual disability or physical handicap; and (2) chiefly dependent on the insured for support and maintenance. Additional premium may be charged based upon class of risks.
Renewal Provision	14 VAC 200-70 A & 14 VAC 5-200-60 A	The regulation specifies the content of the renewability provision. The renewal provision must be either guaranteed renewable or noncancellable.
LTC Caution Notice	14 VAC 5-200-80 C 2	Required language in bold print .

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
30-Day Free Look	§ 38.2-5208 A	
Notice to Buyer	14 VAC 5-200-170 A 3	Required language.
General Provisions		
Contents of Policy	38.2-305 A	Parties to policy named; subject of insurance; risks insured against; time insurance takes effect; statement of the premium.
Entire Contract	§ 38.2-3503 1	The provision defines the contents of the entire contract.
Grace Period	§ 38.2-3503 3	The provision defines the grace period and length of the various acceptable grace periods.
	14 VAC 5-200-65 A 3	The policy must specify an additional 30 days for an unintentional lapse of coverage.
Reinstatement	§ 38.2-3503 4	
	14 VAC 5-200-65 B	The regulation provides for an extended reinstatement period in the event of policy lapse due to cognitive impairment.
Notice of Claim	§ 38.2-3503 5	
Claim Forms	§ 38.2-3503 6	
Proof of Loss	§ 38.2-3503 7	
Time Payment of Claims	§ 38.2-3503 8	The provision specifies when benefits will be paid.
Payment of Claims	§ 38.2-3503 9	The provision specifies to whom benefits will be paid
Physical Examinations and Autopsy	§ 38.2-3503 10	
Legal Actions	§ 38.2-3503 11	
Change of Beneficiary	§ 38.2-3503 12	(For payment to beneficiaries, see Payment of Claims provision-§ 38.2-3503 9.)
Incontestability	§ 38.2-5209	The provision contains specific incontestability language for long-term care insurance.
Age Limit	§ 38.2-3513 A	If the policy establishes an age-limit after which coverage will no longer be effective, and if the date falls within a period for which a premium is accepted by the insurer or the insurer accepts a premium after the date, the coverage provided by the policy will continue in force until the end of the period for which the premium has been accepted.
	§ 38.2-3513 B	If the age of the insured has been misstated and the policy would not have been issued according to the correct age of the insured, the policy would not have become effective or would have ceased prior to the acceptance of the premium, then the liability of the insurer shall be limited to the refund of the premium paid for the period not covered by the policy.
Optional Provisions		
Change of Occupation	§ 38.2-3504 1	
Misstatement of Age	§ 38.2-3504 2	
Other Insurance in this Company	§ 38.2-3504 3	
Insurance with Other Company	§ 38.2-3504 4	
Insurance with Other Company	§ 38.2-3504 5	
Unpaid Premiums	§ 38.2-3504 7	
Conformity with State Statutes	§ 38.2-3504 9	Must use "resides" language

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
Illegal Occupation	§ 38.2-3504 10	
Intoxicants and Narcotics	§ 38.2-3504 11	
Prohibited Provisions		
	§ 38.2-5203	Specified provisions prohibited in a long-term care policy.
	§ 38.2-5205 A	Prior institutionalization may not be a requirement to receive benefits.
	14 VAC 5-200-190	Preexisting conditions and waiting periods may not be used in replacement policies.
Subrogation	§ 38.2-3405 A	No policy shall contain a provision regarding subrogation of any person's right to recovery for personal injuries from a third person.
Liability Insurance	§ 38.2-3405 B	Benefits may not be reduced due to benefits payable due to benefits provided by a liability insurance contract.
Workers' Compensation	§ 38.2-3405 D	The statute discusses exceptions to exclusions due to benefits payable under workers' compensation.
Minimum Standards for Home Health Care	14 VAC 5-200-90	The minimum standards include prohibited exclusions and restrictions regarding home health care benefits.
LTC Policy Requirements		
Duration of Benefits	§ 38.2-5200	Coverage must be provided for a minimum of 12 months.
Refund of Premium for Cancellation or Termination of Policy	§ 38.2-5202.1	Provides for the termination of the policy by the insured and for cancellation of the policy by the insurer , except when coverage is for the duration of life and premium is a single installment payment.
Preexisting Condition	§ 38.2-5204	Defines look-back period and limitation period for preexisting conditions.
	14 VAC 5-200-70 D	If policy includes limitations due to a preexisting condition, such limitations must be included labeled as "Preexisting Condition Limitations."
Limitations or Conditions on Eligibility for Benefits	§ 38.2-5205 B 14 VAC 5-200-187	Permissible benefit triggers and requirements.
Definitions	14 VAC 5-200-50	Certain terms defined.
UCR defined	14 VAC 5-200-70 C	The term must be defined If benefits are based on usual, reasonable and customary charges.
Limitations and Exclusions	14 VAC 5-200-60 B	
	§ 38.2-3504 11	Intoxicants and narcotics
Extension of benefits	14 VAC 5-200-60 C	
Right to Reduce Coverage and Lower Premiums	14 VAC 5-200-183	The policy shall include a provision that allows the policyholder to reduce coverage and lower the premium.
Nonforfeiture Benefit Requirement	14 VAC 5-200-185 B	Offer made to the policyholder. Refer to the regulation for specifics.
Contingent Benefit Upon Lapse	14 VAC 5-200-185 C	If the offer of the nonforfeiture benefit is declined, the contingent benefit upon lapse shall be provided.
Required to Offer Inflation Protection	14 VAC 5-200-100 A	

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
Signed Acceptance for Riders and Amendments	14 VAC 5-200-70 B	All riders and/or endorsements that added to a policy after the date of issue that reduces, restricts, or eliminates benefits in the policy will require signed acceptance. Also, where a separate premium is charged for a rider or endorsement, the premium will be set forth in the policy, rider, or endorsement.
LTC Personal Suitability Worksheet	14 VAC 5-200-175-C 2	The LTC personal suitability worksheet must be submitted with the policy.
Disclosures		
	§ 38.2-5207 1; 14 VAC 5-200-200	The statute requires that an outline of coverage be provided to the insured. The statute also specifies the information that should be included in the outline.
	§ 38.2-5207 4; 14 VAC 5-200-70 H	A tax-qualified plan must be definitively identified as such.
	14 VAC 5-200-70 I	A non-tax-qualified plan must be identified as such.
	14 VAC 5-200-75 D	Any reference to a premium increase shall disclose that notice of premium increase shall be at least 60 days prior to the increase.
Policies that include issue ages of 65 or higher	14 VAC 5-170-150 E 1	Any policy marketed to persons age 65 or older must contain a notice that discloses that the policy is not a Medicare supplement policy or certificate.
Rates		
	§ 38.2-5206	
	14 VAC 5-200-150	The regulation specifies the expected loss ratio.
	14 VAC 5-130-60 A and 130-60 B; 14 VAC 5-200-77	The regulation specifies rate filing and actuarial memorandum requirements.

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:

<http://www.scc.virginia.gov/boi/laws.aspx>

The Life and Health Division, Forms and Rates Section reviews individual long-term care insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

I hereby certify that I have reviewed the attached individual long-term care filing and determined that it is in compliance with the individual long-term care checklist.

Signed: 

Name (please print): Deborah A. Keeler

Company Name: Continental General Insurance Company

Date: 3/7/2018 Phone No: (512) 410-0805 FAX No: (513) 564-3420

E-Mail Address: Debby.Keeler@Continental-ins.com



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

March 12, 2018

Bureau of Insurance
State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.**

Dear Sir or Madam:

Enclosed for your review, please find copies of an Actuarial Memorandum and rate sheets in support of the current proposed increases on the above-referenced Individual Long-Term Care Insurance products. Detailed information regarding the calculation of the current proposed rate increases is given within the enclosed Actuarial Memorandum.

The base rate increase applies to the base policy and all applicable benefit riders for which a premium is paid. In addition to a base rate increase, an increase is being requested on the Inflation Guard Rider percentage load. The rate increases will be effective on the first premium due date subsequent to state insurance department approval and in accordance with state policyholder notification requirements, with the additional condition that no policyholder will receive a rate increase sooner than one year after receiving a prior rate increase, if applicable.

This filing applies to inforce policies issued in this state. The above-referenced policy forms are Individual Long-Term Care Insurance products, which are no longer being sold.

Enclosed are any necessary certifications, transmittals and/or filing fees as may be required by your state. I hope that with this information, your approval of this filing will be forthcoming. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D Keeler', is written over a horizontal line.

Deborah A. Keeler, ASA, MAAA
Senior Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

CONTINENTAL GENERAL INSURANCE COMPANY

Home Office:

P.O. Box 203098

Austin, Texas 78720-3098

**Actuarial Memorandum for Premium Rate Increases of:
136.1% on Base Policy Forms and Riders, and
218.8% on the Inflation Guard Rider (IGR) Percentage Load for**

Continental General Insurance Company

Individual Long-Term Care Insurance Policy Forms:

440, 442, 443, 444, 445, 446, 448, 449, 450, 460, 461, 462, 463, 470, 471

NFO Riders: NF-RPU(Q), NF-RPU(Q)(A), NF-RPU(Q), NFB, NBR, et al.

Benefit Increase Riders: GPO-E, GPO-R, et al.

Inflation Guard Riders: IG(Q)-1, IG(Q)-1(SC), IG(Q)-1(A), IG(Q)-1(449), IG(Q)-1(2),
IG-R, et al.

HHC Riders: HC(Q), HC(Q)(A), et al.

Miscellaneous Riders: CC(Q), SPAR, TQA-R, et al.

One-Time Return of Premium Riders: PAR, PAR(A), et al.

Perpetual Return of Premium Rider: RP(LTC)10-1, et al.

I. Purpose of Filing

The purpose of this rate filing is to support and request a 136.1% rate increase on the Base Policy Forms and Riders for the above listed policy form series, and to support and request a 218.8% rate increase on the Inflation Guard Rider (IGR) percentage load. This filing may not be appropriate for other purposes.

Details on the methodology for calculating the unfunded gap in future liabilities and the resulting overall rate increase can be found in Section IV below.

Rate sheets are attached showing premium rates after the 136.1% Base premium rate increase and 218.8% IGR percentage load increases. Please note, rate sheets do not demonstrate percentage loads to add inflation protection, but instead have dollar amounts. Premium rates will be increased by an amount equivalent to the 136.1% Base premium rate increase and 218.8% IGR percentage load increase.

As shown in **Exhibit 3a** which has been included with this filing, the projected lifetime loss ratio for Base Policy Forms and Non-ROP Riders, assuming implementation of the rate increases justified Nationwide, is 91.4%.

II. Policyholder Options to Mitigate Impact of Premium Rate Increases

Offers for Policyholders with Perpetual Return of Premium Riders: RP(LTC)10-1

In order to mitigate the impact of the increases on policyholders with Return of Premium riders, the Company will implement a program in which the policyholder will have the choice to surrender their ROP benefit for value, while keeping their Base Policy and other non-ROP Riders in force. The offer will vary by the duration within the 10-year ROP "cycle" as follows:

- For policyholders in durations with a scheduled ROP benefit of 0%, the offer will be 100% of cumulative paid ROP Rider premium within the current 10-year ROP cycle, less the value of any policyholder benefits paid within the current 10-year ROP cycle.
- For policyholders in durations with a scheduled ROP benefit greater than 0% (except for duration 10), the offer will be the scheduled ROP benefit + 10%, less the value of any policyholder benefits paid within the current 10-year ROP cycle.
- For policyholders in duration 10, the offer will be the scheduled ROP benefit.

Under the predominant ROP payment schedule, the ROP offers assuming no policyholder benefits having been paid within the 10-year ROP duration “cycle” will be as follows:

	% of Cumulative ROP Rider Premium					% of Total Cumulative Premium				
Duration	1	2	3	4	5	6	7	8	9	10
Refund %	100%	100%	100%	100%	100%	25%	40%	55%	70%	80%

Optional Policyholder offers to Reduce Benefits

In addition, the Company will give policyholders Benefit Reduction Offers to help mitigate the impact to policyholders of the premium rate increase on the Base policy. The Benefit Reduction Offers will allow the policyholder to:

1. Lower their lifetime maximum benefit,
2. Lower their daily benefit,
3. Increase their elimination period.

Non-forfeiture Offers

In addition, the Company will give the policyholder the option to accept a shortened benefit period. Acceptance of this offer will provide the policyholder with a paid-up policy, with no future premiums required. Under this paid-up policy, the maximum benefit amount is equal to the greater of the sum of premiums paid less any benefits paid by a Return of Premium or Premium Accrual Benefit Rider or 30 times their daily benefit, and the daily benefit amount is equal to the policyholder’s current daily benefit amount. This non-forfeiture benefit shall not exceed the policyholder's remaining unused Maximum Lifetime Benefit at the time of conversion. Each day any benefits are received will count as one full day toward the completion of the shortened benefit period. This offer will be made to all policyholders.

III. Scope of Filing

This filing applies to active premium-paying policies issued in this state for the policy forms listed above. These forms are no longer being marketed in any state and the Company is no longer selling any new Long-Term Care Insurance. **Exhibit 1** provides a distribution by state of the number of lives and associated annualized premium for active premium-paying lives as of 12/31/2016 under these policy forms. The annualized premium inforce Nationwide as of 12/31/2016 was 7,515,807. A breakdown of lives affected by this filing in this state is shown in **Appendix A**.

Please note that experience associated with the Return of Premium (ROP) Rider has been excluded from this filing.

IV. Premium Rate Increase Justification

A rate increase is necessary at this time because Company experience on its Long-Term Care Insurance business indicates that the premium rates for these policy forms are inadequate. Premium rate increases that help to remediate poorly performing blocks of business and limit any future losses are important to maintaining the Company's ability to meet policyholder obligations and pay future claims.

A. Rate Increase Formula: Gap Analysis

The current projected earned premium shortfall, or "Gap," is calculated as the present value of future claims and expenses less the present value of future premium and the active life reserve as of 12/31/2016. Please note that experience associated with lives that are currently in a paid-up status due to a non-forfeiture benefit has been excluded from the calculation of the Gap Analysis. The Nationwide justified premium rate increase is calculated as the rate increase necessary so that the projected gap is zero.

Formulaically, Gap Analysis can be described as calculating the rate increase that would satisfy the equation below on a strictly prospective basis:

$$PV \text{ Incurred Claims} + PV \text{ Expenses} = PV \text{ Earned Premium} + \text{Active Life Reserves}$$

B. Nationwide Justified Rate Increase

The Nationwide justified increase is the rate increase which would satisfy Gap Analysis given actual Nationwide experience. As demonstrated in the table below, a rate increase of 101.4% on the Base policy form and riders combined with a rate increase of 152.8% on the Inflation Guard Rider percentage load would result in a projected Gap of \$0.0M. Values in the table below are shown in millions of dollars.

	<i>Base Increase: 101.4%</i> <i>IGR Load Increase: 152.8%</i>	
	Before Increase	After Increase
Nationwide Active Life Reserve (ALR)	77.6	77.6
Present Value of Nationwide Projected Earned Premium	54.9	116.8
Present Value of Nationwide Projected Future Expenses	11.7	12.2
Present Value of Nationwide Projected Incurred Claims	178.6	182.2
Expected Earned Premium Shortfall (Gap)	57.8	0

The impact of the Nationwide justified rate increase is demonstrated in **Exhibit 3a** through **Exhibit 3c**. In **Exhibit 3a** through **Exhibit 3c**, the values in the "Projected Future Experience After Nationwide Justified Rate Increase" section reflect the expected increase in Earned Premium, Waived Premium, and Premium-based claims and expenses given implementation of the above premium rate increases on 6/1/2018. These cash flows also include the impact of shock lapse, benefit reductions, anti-selection, and non-forfeiture residual liability resulting from the rate increase. These assumptions are described in more detail in Section V below.

C. Requested Rate Increase

State-specific justified rate increases are calculated to achieve equity across states with respect to the total amount of rate increases that will have been implemented in each state. In order to calculate the rate increase needed for this state specifically, the following formula was used:

$$\frac{(1+\text{Nationwide Rate Increase Need})(1+\text{Nationwide Cumulative Rate Increase to Date})}{(1+\text{State-Specific Cumulative Rate Increase to Date})} - 1.$$

This formula was applied separately for the base policy rate increase need and the IGR Load rate increase need. Details of this calculation can be found in **Appendix A**.

D. Minimum Loss Ratio Requirement

Although the rate increases in this filing are not calculated to achieve a target loss ratio, this filing demonstrates that, even after implementation of the Nationwide justified rate increases, both the projected future loss ratio and the lifetime anticipated loss ratio for these forms are higher than the required minimum loss ratio and therefore benefits are reasonable in relation to premiums. The required minimum loss ratio for these policy forms is as follows:

Type of Coverage:	Long-Term Care Insurance
Renewal Clause:	Guaranteed Renewable
Required Minimum Loss Ratio:	60%

The current lifetime anticipated loss ratio is 110.3%; assuming the rate increases justified Nationwide are approved, the lifetime anticipated loss ratio will be 91.4%. These lifetime loss ratios are demonstrated in **Exhibit 3a**.

V. Actuarial Assumptions

The actuarial assumptions used to project the future premiums and claims are described in this section. **Appendix D** provides further details of the experience studies conducted that were used to develop the actuarial assumptions.

A. Interest

A 5.0% annual rate of interest has been assumed for accumulating historical experience and for discounting projected future experience to present values.

B. Mortality

The best estimate future mortality assumption is 100% of the Annuity 2000 Basic Table with mortality steepening factors applied, historical mortality improvement, and selection factors. Historical mortality improvement was assumed equal to 0.6% per year, with 2000 as the central year. The mortality assumption, including selection factors and historical mortality improvement, is based on industry expectations.

C. Voluntary Lapse

The voluntary lapse assumptions were developed from a policy persistency study conducted on the Company's experience on these forms and judgment. Lapse rates are combined with mortality rates to derive the total termination rate. In addition, benefit exhaustion rates were calculated and added to reflect policy termination when a person exhausts his benefit period. It

is assumed all remaining policies would terminate at attained age 120. The lapse assumptions represent the best estimate expectations of future experience and do not include any provisions for adverse experience. All policies in this form series are currently in durations 14+, for which the lapse rates shown below are applicable. Lapse rates vary by marital status, inflation versus non-inflation and ROP versus non-ROP. The table below shows the detailed applicable lapse assumptions.

Ultimate Lapse Rate				
	Married		Single	
Duration	Inflation	Non-Inflation	Inflation	Non-Inflation
14	0.29%	0.84%	1.52%	1.73%
15+	0.24%	0.70%	1.26%	1.44%

Additional multiplier to apply to Lapse Rates for Gender	
Gender	Multiplier
Female	85.0%
Male	135.0%

For policies with an active ROP rider, an additional shock lapse rate of 10% is assumed in addition to the above-noted lapsed rates at durations 11, 21, 31, etc.

D. Morbidity Rates

The morbidity assumptions are based on a combination of the Company's historical claim experience on these forms from 2009 through 6/30/2016, the Milliman *2014 Long-Term Care Guidelines (Guidelines)* and judgment. The *Guidelines* reflect over \$25 billion of insured data and the experience and judgment of Milliman actuaries. The claim cost assumptions reflect the Company's current best estimate of future morbidity. In setting the morbidity assumptions, the policy design, underwriting and claim adjudication practices have been taken into consideration. The baseline assumptions do not include any adverse selection resulting from the rate increase, loads for moderately adverse experience, or future morbidity improvement.

E. Claim Reserves

The incurred claims shown in the Nationwide historical experience include paid claims, DLR, ICOS, and IBNR.

F. Expenses

The projected future experience uses the following expense assumptions:

Premium Tax – 2.5% of Paid Premium

Maintenance Expense – \$155 per insured with 2.0% inflation per year

Claim Expense – 3.5% of Base Paid Claims

Commissions – 16.0% of Paid Premium at the Original Premium Rate Level for 440 Series;
5.0% of Paid Premium at the Original Premium Rate Level for 460 Series

G. Shock Lapse

At the time the proposed premium rate increases become effective, the additional shock lapse is assumed to be 10.0% for lives without an active Inflation Guard Rider and 10.0% for lives with

an active Inflation Guard Rider. The shock lapse is in addition to the base lapse assumption for that projection period. The “shock lapse” effect of the rate increases is assumed to temporarily increase voluntary lapses in the year that the rate increases are implemented. The shock lapse is reflected in the projected future experience after the proposed rate increase in **Exhibit 3a** through **Exhibit 3c**.

H. Benefit Reductions

As described in Section II, the Company will give policyholders Benefit Reduction Offers to help mitigate the impact to policyholders of the premium rate increase. The impact of benefit reductions due to the proposed increases is assumed to be 2.0% for lives without an active Inflation Guard Rider and 3.1% for lives with an active Inflation Guard Rider. These percentages are reflected in the projected future experience after the proposed rate increase in **Exhibit 3a** through **Exhibit 3c**.

I. Anti-Selection

Policyholders in poor health tend to keep their current policies, while those in better health may be more likely to lapse. This results in anti-selection. This is modeled in our exhibit as a 1.6% morbidity load for lives without an active Inflation Guard Rider and a 1.6% morbidity load for lives with an active Inflation Guard Rider. These percentages are reflected in the projected future experience after the Nationwide rate increase in **Exhibit 3a** through **Exhibit 3c**.

J. Non-forfeiture (NFO) Residual Liability

The residual NFO liability captures the future claims expected to be incurred on policies which elect the non-forfeiture benefit. The impact of the ultimate residual NFO liability due to the proposed increases is assumed to be 0.8% for lives without an active Inflation Guard Rider and 0.8% for lives with an active Inflation Guard Rider. These percentages are reflected in the projected future experience after the proposed rate increase in **Exhibit 3a** through **Exhibit 3c**.

As stated above, it is known that policyholders in poor health tend to keep their current policies, while those in better health may be more likely to lapse or elect the NFO benefit. The residual NFO liability is expected to grade up over time as this selection effect wears off. Given the grading, the initial residual NFO liability is 20% of the ultimate rate, grading up to the ultimate rate over 10 years.

VI. Rate Increase History

Prior approved rate increases for these policy forms in this state are summarized in **Appendix A**.

VII. Effective Date

Policyholder notification of the rate increases will begin as soon as possible subject to state insurance department approval with the additional condition that no policyholder will receive the rate increases sooner than one year after receiving a previous rate increase.

VIII. Premium Profile

The state-specific average total annualized premiums, per insured (including riders), before and after the requested premium rate increases are shown in **Appendix A**.

IX. Historical and Projected Future Experience

Exhibit 2a through **Exhibit 2f** present historical experience since inception by “incurred year,” or “loss year,” for these policy forms and riders as of 12/31/2016. **Exhibit 2a** through **Exhibit 2c** contain Nationwide experience and **Exhibit 2d** through **Exhibit 2f** contain the experience for only those policies sold in this state.

Future experience has been projected for 2017 and every year thereafter, as presented in **Exhibit 3a** through **Exhibit 3f**. In these exhibits, please note that the paid claims have been discounted with interest from the claim payment date back to the incurred date of the claim.

The present values of earned premium and incurred claims, discounted at 5.0% after application of the Nationwide justified rate increase and resulting shock lapse, benefit reductions, anti-selection, and NFO residual liability, are summarized in **Exhibit 3a** through **Exhibit 3c**. **Exhibit 3d** through **Exhibit 3f** contain the historical and projected experience, both with and without the impact of the rate increase requested, for only those policies sold in this state.

The lifetime anticipated loss ratio is defined as the present value of the historical and projected future claims divided by the present value of the historical and projected future earned premiums. Please note, the historical and projected experience demonstrated in **Exhibit 3a** through **Exhibit 3f** does include lives that are currently in a paid-up status due to election of a non-forfeiture benefit.

X. Summary of Appendices

Multiple Appendices have been included with this filing. They are detailed below.

Appendix A contains information that is specific to the state in which this filing is made, such as the average annual premium, the number of policyholders inforce, etc. Similar information for Nationwide is also contained in this Appendix.

Appendix B contains a summary of the benefits included under each policy form grouping.

Appendix C contains a summary of the demographic distributions for inforce policies issued Nationwide as of 12/31/2016.

Appendix D contains a detailed summary of the development of the projection assumptions.

Appendix E contains a comparison of the actual total termination rates to both the original pricing assumptions and current assumptions.

XI. Summary of Exhibits

Multiple Exhibits have been included with this filing. They are detailed below.

Exhibit 1 contains the breakdown of policy counts, annualized premium, and average premium for all inforce policies by state under these products. This is shown for all policies, policies with active inflation riders, and policies without active inflation riders.

Exhibit 2a contains the historical Nationwide experience for all policies issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2b contains the historical Nationwide experience for all policies without an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2c contains the historical Nationwide experience for all policies with an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2d contains the historical Virginia experience for all policies issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2e contains the historical Virginia experience for all policies without an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2f contains the historical Virginia experience for all policies with an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 3a contains historical and projected Nationwide experience for all policies issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Nationwide justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3b contains historical and projected Nationwide experience for all policies without an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Nationwide justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3c contains historical and projected Nationwide experience for all policies with an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Nationwide justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3d contains historical and projected Virginia experience for all policies issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Virginia proposed rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3e contains historical and projected Virginia experience for all policies without an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Virginia proposed rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3f contains historical and projected Virginia experience for all policies with an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Virginia proposed rate increase for these policies. The presented experience excludes the ROP rider.

XII. Actuarial Certification

I hereby certify that, to the best of my knowledge and belief, the rate filing submitted herein is in compliance with all applicable laws and regulations of the state in which it is filed and that it complies with applicable Actuarial Standards of Practice, including Actuarial Standard of Practice Number 8. I further certify that the anticipated loss ratio submitted herein is expected to develop over the period for which the rates are computed to provide coverage and the benefits are reasonable in relation to the premiums charged.

A handwritten signature in black ink, appearing to read "D. Keeler". The signature is fluid and cursive, with a large initial "D" and a stylized "Keeler".

Deborah A. Keeler, ASA, MAAA
Senior Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Continental General Insurance Company
Appendix A
Policy Forms: 440 Series et al.
State-Specific Filing Information

Virginia

Requested Base Rate Increase: 136.1%

Requested IGR Load Increase: 218.8%

1. Virginia Lives Affected by Requested Rate Increase (Section III in Actuarial Memorandum)

Total Virginia lives affected by this filing:	18
Virginia lives with an active Inflation Guard Rider affected by this filing:	15

2. Calculation of Requested Rate Increase for Virginia (Section IV in Actuarial Memorandum)

Rate Increase Need for Base Policies and Riders

Required Nationwide Rate Increase for Base Policies and Riders:	101.4%
Cumulative Virginia Rate Increase to Date:	206.8%
Cumulative Nationwide Rate Increase to Date:	259.6%
Base Rate Increase Necessary for Virginia:	136.1%

Rate Increase Need for Inflation Guard Rider Percentage Load

Required Nationwide Rate Increase for the IGR Percentage Load:	152.8%
Cumulative Virginia Rate Increase to Date:	0.0%
Cumulative Nationwide Rate Increase to Date:	26.1%
IGR Percentage Load Increase Necessary for Virginia:	218.8%

3. Virginia Rate Increase History (Section VI in Actuarial Memorandum)

Base Rate History

Form 440	104.5% in 2005, 50.0% in 2011
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ROP & IGR Rate History

Form 440

4. Premium Profile (Section VIII in Actuarial Memorandum)

The average annual premium for these forms and associated riders, prior to the proposed rate increase, is:

Policies without an active Inflation Guard Rider:		Policies with an active Inflation Guard Rider:	
Virginia	\$4,082	Virginia	\$2,227
Nationwide	\$3,260	Nationwide	\$3,356

The average annual premium for this form and associated riders, after the proposed rate increase, is:

Policies without an active Inflation Guard Rider:		Policies with an active Inflation Guard Rider:	
Virginia	\$9,637	Virginia	\$9,574

Continental General Insurance Company
Appendix B
Policy Forms: 440 Series et al.
Description of Benefits

Product Series 440

440	Qualified Facility Only Long-Term Care with Optional HHC Rider	Indemnity	Reimbursement	2, 4 years, Lifetime	0, 30, 100 days	1, 2, 3, 4, 5
442	Comprehensive Long-Term Care	Indemnity	Reimbursement	2, 4 years, Lifetime	0, 30, 100 days	2, 5, 6, 12
443	Qualified Comprehensive Long-Term Care	Indemnity	Reimbursement	\$ 50K, \$ 100K, \$ 250K, Unlimited	0, 30, 90 days	2, 3, 5
444	Qualified Facility Only Long-Term Care	Indemnity	None	\$ 50K, \$ 100K, \$ 250K, Unlimited	0, 30, 90 days	2, 3, 5
445	Facility Only Long-Term Care with Optional HHC Rider	Indemnity	Reimbursement	2, 4 years, Lifetime	0, 30, 100 days	2, 5, 7, 12
446	Qualified Facility Only Long-Term Care with Optional HHC Rider	Indemnity	Reimbursement	2, 4 years, Lifetime	0, 30, 100 days	2, 5, 7, 12
449	Qualified Comprehensive Long-Term Care	Indemnity	Reimbursement	\$ 100K, \$ 250K, Unlimited	0, 20, 90 days	1 -50% addl HHC, 2

Product Series 460

460	Comprehensive Long-Term Care	Reimbursement	Reimbursement	\$ 75K, \$150K, \$ 250K, \$ 500K, Unlimited	0, 30, 100, 180 days	2, 3, 4, 5, 8, 9, 10
461	Basic Long-Term Care	Reimbursement	Reimbursement	\$ 75K, \$150K, \$ 250K, \$ 500K, Unlimited	0, 30, 100, 180 days	2, 3, 4, 5, 8, 10, 11
462	Qualified Comprehensive Long-Term Care	Reimbursement	Reimbursement	\$ 75K, \$150K, \$ 250K, \$ 500K, Unlimited	0, 30, 100, 180 days	2, 3, 4, 5, 8, 9, 10
470	Non-Qualified Home Health Care Only	None	Reimbursement	\$ 75K, \$150K, \$ 250K, \$ 500K, Unlimited	0, 30, 100, 180 days	2, 3, 4, 5, 8, 11
471	Qualified Home Health Care Only	None	Reimbursement	\$ 75K, \$150K, \$ 250K, \$ 500K, Unlimited	0, 30, 100, 180 days	2, 3, 4, 5, 8, 11

Riders:

- 1 Home Health Care
- 2 Inflation guard
- 3 Return of Premium
- 4 Guaranteed Purchase Option
- 5 Non-Forfeiture Rider
- 6 Community Care
- 7 Home and Community Care
- 8 Spousal Access Rider
- 9 Survivorship Benefit Endorsement
- 10 Tax Qualified Amendment Rider
- 11 Survivorship Benefit Rider
- 12 Premium Accrual Rider

* At issue, the insured chooses the daily benefit limit, the elimination period, and the maximum benefit period, as well as any optional riders.

Continental General Insurance Company
Appendix C
Policy Forms: 440 Series et al.
Distribution of Inforce Business as of 12/31/2016
All Non-NFO Policies - Nationwide

Issue Year	Count	% of Count	Premium	% of Premium
1996	1	0%	5,120	0%
1997	70	3%	218,092	3%
1998	654	28%	1,804,767	24%
1999	468	20%	1,341,548	18%
2000	416	18%	1,361,664	18%
2001	458	19%	1,697,045	23%
2002	283	12%	1,045,233	14%
2003	16	1%	43,097	1%
Grand Total	2,366	100%	7,516,567	100%

Issue Age	Count	% of Count	Premium	% of Premium
Less than 45	22	1%	53,504	1%
45 - 49	71	3%	152,605	2%
50 - 54	261	11%	578,178	8%
55 - 59	581	25%	1,347,350	18%
60 - 64	709	30%	2,073,046	28%
65 - 69	457	19%	1,821,606	24%
70 - 74	203	9%	1,082,265	14%
75 - 79	59	2%	381,095	5%
Over 79	3	0%	26,918	0%
Grand Total	2,366	100%	7,516,567	100%

Attained Age	Count	% of Count	Premium	% of Premium
Less than 50	-	0%	-	0%
50 - 54	4	0%	8,787	0%
55 - 59	11	0%	26,948	0%
60 - 64	55	2%	135,063	2%
65 - 69	177	7%	398,443	5%
70 - 74	446	19%	1,069,283	14%
75 - 79	751	32%	1,998,217	27%
80 - 84	567	24%	2,007,820	27%
85 - 89	235	10%	1,081,131	14%
Over 89	120	5%	790,874	11%
Grand Total	2,366	100%	7,516,567	100%

Gender	Count	% of Count	Premium	% of Premium
F	1,416	60%	4,264,285	57%
M	950	40%	3,252,282	43%
Grand Total	2,366	100%	7,516,567	100%

Inflation Options	Count	% of Count	Premium	% of Premium
None	1,026	43%	3,096,615	41%
GPO	71	3%	316,901	4%
Compound 5%	1,269	54%	4,103,051	55%
Grand Total	2,366	100%	7,516,567	100%

Elimination Period Days	Count	% of Count	Premium	% of Premium
0	408	17%	1,520,945	20%
20	14	1%	68,327	1%
30	519	22%	1,667,727	22%
90	516	22%	1,322,917	18%
100	664	28%	2,190,589	29%
180	245	10%	746,061	10%
365	-	0%	-	0%
Grand Total	2,366	100%	7,516,567	100%

Benefit Period	Count	% of Count	Premium	% of Premium
Less than 1 year	-	0%	-	0%
1 - 2 years	21	1%	42,392	1%
2 - 3 years	184	8%	419,385	6%
3 - 4 years	62	3%	209,661	3%
4 - 5 years	277	12%	815,800	11%
5 years - Lifetime	420	18%	1,385,991	18%
Lifetime	1,402	59%	4,643,338	62%
Grand Total	2,366	100%	7,516,567	100%

Marital Status	Count	% of Count	Premium	% of Premium
Married	1,842	78%	5,355,711	71%
Single	524	22%	2,160,856	29%
Grand Total	2,366	100%	7,516,567	100%

Tax Status	Count	% of Count	Premium	% of Premium
TQ	1,741	74%	5,069,531	67%
NTQ	625	26%	2,447,035	33%
Grand Total	2,366	100%	7,516,567	100%

Continental General Insurance Company
Appendix D
Actuarial Assumption Development

Appendix D contains a description of the experience studies conducted on the Company's actual experience.

Termination Study

A termination study was conducted on the Company's actual termination experience from 2002 to 6/30/2016 on forms issued by Continental General Insurance Company. The study measured total termination rates.

The mortality assumption, including selection factors and mortality improvement, is based on industry expectations. Assumed mortality is equal to 100% of the Annuity 2000 Basic Table with mortality steepening factors applied, historical mortality improvement, and selection factors.

The future expected voluntary lapse assumptions were developed based on the historical implied lapse experience and judgment. Historical implied lapses were determined by subtracting expected deaths, using the mortality assumptions discussed above, and actual benefit exhaustions from total terminations. The expected voluntary lapse rates vary by inflation option, spousal discount, gender, and policy duration.

Exhibit D-1 contains the comparison of implied lapse experience to the current lapse assumptions. The Exhibit shows total lives, actual total terminations and expected deaths. The voluntary lapse rates are shown as described above, as historical implied lapses and expected lapses.

Morbidity Study

A morbidity study was also conducted on the Company's actual experience from 2009 to 6/30/2016 on forms issued by Continental General Insurance Company. Actual claims were measured against the Milliman 2014 *Long Term Care Guidelines (Guidelines)*. Actual-to-expected fitting factors were developed based on the actual experience and judgment.

Actual incurred claims are based on paid claims and remaining claim reserves discounted (using an interest rate of 4.5% for this experience study) back to the claim incurred date. The claim reserves were discounted from valuation date to the claim incurred date using a 4.5% discount rate and excluding any waiver of premium load, LAE load and explicit margin. Actual claims include approximately \$14 million of IBNR as of June 30, 2016, which is allocated to incurred year as follows: approximately 64% to incurred year 2016, 23% to incurred year 2015, and 13% to incurred year 2014. Actual incurred claims are calculated by adding together the present value of paid claims and claim reserves. Actual average claim severity was calculated by dividing actual incurred claims by the count of claims. In this study, waiver of premium was excluded from both the actual claims and expected claims.

Expected claims were based on the *Guidelines* and include selection factors and actual-to-expected fitting factors. The actual-to-expected fitting factors varied by coverage type, benefit period, payment type, marital status, and form. No future morbidity improvement is assumed.

Exhibit D-2 contains the comparison of actual claim experience to the current assumptions.

Continental General Insurance Company
Appendix D
Exhibit D-1
Termination Study

Experience by Policy Duration

Policy Duration	Total Lives	Total Terminations		Mortality Rate		Voluntary Lapse Rate	
		Count	Rate	Expected		Implied	Expected
1	1,975	476	24.1%	0.4%		23.7%	23.5%
2	3,842	796	20.7%	0.7%		20.0%	18.9%
3	5,291	680	12.9%	0.8%		12.1%	11.2%
4	6,980	653	9.4%	0.9%		8.5%	8.4%
5	9,830	631	6.4%	1.0%		5.4%	5.5%
6	11,977	676	5.6%	1.1%		4.5%	4.6%
7	15,170	738	4.9%	1.3%		3.5%	3.9%
8	16,198	709	4.4%	1.5%		2.9%	3.0%
9	15,970	648	4.1%	1.6%		2.4%	2.4%
10	15,424	760	4.9%	1.8%		3.1%	1.6%
11	14,549	613	4.2%	1.9%		2.2%	1.4%
12	13,768	479	3.5%	2.1%		1.3%	1.2%
13	13,086	529	4.0%	2.3%		1.7%	1.1%
14	12,099	475	3.9%	2.5%		1.3%	0.9%
15+	41,539	2,129	5.1%	3.5%		1.4%	0.7%
Total	197,697	10,992	5.6%	2.0%		3.5%	3.1%

Notes:

- 1) Experience from 2002 through 6/30/2016.
- 2) Expected Mortality Rate is 100% of the Annuity 2000 Basic Table with mortality steepening factors applied, historical mortality improvement, and selection factors.
- 3) Implied Voluntary Lapse Rate is the Total Termination Rate minus the Expected Mortality Rate minus the Actual Benefit Exhaust Rate.
- 4) Current Voluntary Lapse Rate is the current projection assumption.
 Since these vary by inflation benefit option, spousal discount, and gender the rates shown above are composites.
 The ultimate lapse rate begins in duration 15.
- 5) Includes only lifetime pay policies (excludes 5 pay and 10 pay).

Continental General Insurance Company
Appendix D
Exhibit D-2
Policy Forms: 440 Series et al.
Claim Study

Experience by Policy Duration

Policy Duration	Total Lives	Actual Claim Count	Actual Incurred Claims	Expected Incurred Claims	Actual to Expected
6	7	-	-	7,515.58	0%
7	274	7	314,056	390,992	80%
8	1,014	16	1,846,010	1,541,854	120%
9	1,796	24	1,535,511	2,644,705	58%
10	2,242	42	3,217,340	3,079,008	104%
11	2,940	58	4,316,021	3,979,947	108%
12	3,437	62	5,927,145	5,136,411	115%
13	3,329	82	6,430,400	5,404,704	119%
14	3,162	55	5,136,282	5,683,282	90%
15	2,710	64	5,959,046	5,388,192	111%
16	2,013	52	5,135,413	4,336,124	118%
17	1,413	40	4,876,847	3,429,199	142%
18	842	29	2,721,321	2,383,615	114%
19	135	4	600,246	431,624	139%
20+	1	0	2,198	13,509.36	16%
Total	25,316	535	48,017,836	43,850,683	110%

Experience by Year
440 Series

Calendar Year	Total Lives	Actual Claim Count	Actual Incurred Claims	Expected Incurred Claims	Actual to Expected
2009	3,988	65	6,065,027	5,343,055	114%
2010	3,760	64	4,172,722	5,442,285	77%
2011	3,515	83	6,881,577	5,251,822	131%
2012	3,356	81	6,945,568	5,546,827	125%
2013	3,209	61	5,356,770	5,871,750	91%
2014	3,088	62	7,073,775	6,255,960	113%
2015	2,960	87	8,415,719	6,593,321	128%
2016	1,440	33	3,106,677	3,545,661	88%
Total	25,316	535	48,017,836	43,850,683	110%

Notes:

- 1) Experience from 2009 through 6/30/2016.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Severity is defined as incurred claims divided by the count of claims.
- 5) Expected Claims are based on the Milliman 2014 *Long-Term Care Guidelines* (including Product Factors).
- 6) Claim dollar amounts are discounted using a 4.50% interest rate (both actual and expected).
- 7) The expected incurred claims do include a credibility adjustment.
Please note that claim experience related to this policy form grouping is considered 70.3% credible.

Continental General Insurance Company
Appendix E
Policy Forms: 440 Series et al.
Policy Persistency Comparison

Policy Duration	<u>Actual Experience</u>		<u>Original Pricing Assumptions</u>	<u>Current Assumptions</u>		
	Total Lives	Total Terminations	Total Terminations	Lapse	Mortality	Total Terminations
1	1,568	25.9%	17.5%	23.3%	0.4%	23.6%
2	3,262	22.7%	14.5%	18.9%	0.7%	19.5%
3	3,945	13.8%	11.5%	11.2%	0.9%	12.0%
4	4,361	10.0%	9.3%	8.4%	0.9%	9.2%
5	5,360	7.0%	8.3%	5.5%	1.1%	6.5%
6	5,127	6.4%	8.4%	4.6%	1.2%	5.7%
7	4,803	6.0%	8.4%	3.9%	1.4%	5.2%
8	4,517	6.1%	8.5%	2.9%	1.5%	4.4%
9	4,232	4.7%	8.6%	2.4%	1.6%	3.9%
10	3,971	4.7%	8.7%	1.5%	1.7%	3.2%
11	3,681	4.0%	8.8%	1.3%	1.8%	3.1%
12	3,433	3.8%	8.9%	1.2%	2.0%	3.1%
13	3,223	4.1%	9.0%	1.0%	2.1%	3.1%
14	2,829	4.3%	9.1%	0.8%	2.3%	3.1%
15+	5,588	4.3%	9.4%	0.6%	2.7%	3.3%

Notes:

- 1) Experience is 2002 through 6/30/16.
- 2) The "Original Pricing Assumptions" are those assumptions provided in the original pricing Actuarial Memorandum.
- 3) The "Current Assumptions" are those used in the projection for the current rate filing.
 Since Lapse Rates vary by inflation benefit option, spousal discount, and gender, the rates shown above are composed of:
 The ultimate lapse rate starts in duration 15.
 The mortality assumptions are 100% of the Annuity 2000 Basic Table with mortality steepening factors applied, historical mortality improvement, and selection factors.
- 4) The results shown above include only lifetime pay policies (excludes 5 pay and 10 pay).

Continental General Insurance Company
Exhibit 1
Policy Forms: 440 Series et al.
Nationwide Premium Paying Lives
As of 12/31/16

Issue State	Combined			Lives with Active Inflation			Lives without Active Inflation		
	Lives	Annualized Premium	Average Premium	Lives	Annualized Premium	Average Premium	Lives	Annualized Premium	Average Premium
AL	34	140,081	4,120	11	46,355	4,214	23	93,726	4,075
AZ	4	13,997	3,499	2	9,142	4,571	2	4,855	2,427
AR	16	41,354	2,585	3	12,497	4,166	13	28,857	2,220
CO	50	183,011	3,660	25	116,552	4,662	25	66,459	2,658
GA	37	97,578	2,637	11	30,012	2,728	26	67,566	2,599
ID	2	3,841	1,921	-	-	-	2	3,841	1,921
IL	114	450,245	3,950	47	207,267	4,410	67	242,978	3,627
IN	35	72,611	2,075	21	39,074	1,861	14	33,537	2,395
IA	357	999,822	2,801	268	756,027	2,821	89	243,795	2,739
KS	83	215,034	2,591	51	137,806	2,702	32	77,228	2,413
KY	95	268,346	2,825	16	54,311	3,394	79	214,035	2,709
LA	18	58,194	3,233	3	11,036	3,679	15	47,158	3,144
MI	18	117,177	6,510	7	53,217	7,602	11	63,960	5,815
MN	522	1,227,711	2,352	342	836,276	2,445	180	391,435	2,175
MS	65	317,856	4,890	2	15,441	7,721	63	302,414	4,800
MO	67	195,013	2,911	41	111,632	2,723	26	83,381	3,207
MT	13	37,989	2,922	5	18,639	3,728	8	19,350	2,419
NE	181	643,285	3,554	110	383,958	3,491	71	259,326	3,652
NV	5	15,552	3,110	5	15,552	3,110	-	-	-
NM	3	7,470	2,490	-	-	-	3	7,470	2,490
NC	57	129,881	2,279	16	38,774	2,423	41	91,106	2,222
OH	84	351,352	4,183	39	189,407	4,857	45	161,945	3,599
OK	43	127,837	2,973	14	36,188	2,585	29	91,649	3,160
PA	45	192,845	4,285	40	161,371	4,034	5	31,474	6,295
SC	23	79,896	3,474	4	20,429	5,107	19	59,466	3,130
SD	23	163,865	7,125	10	90,692	9,069	13	73,173	5,629
TN	124	553,861	4,467	30	174,569	5,819	94	379,292	4,035
TX	31	95,068	3,067	16	56,914	3,557	15	38,154	2,544
UT	1	1,737	1,737	1	1,737	1,737	-	-	-
VA	18	45,652	2,536	15	33,407	2,227	3	12,245	4,082
WV	17	75,404	4,436	2	13,212	6,606	15	62,193	4,146
WI	163	571,432	3,506	108	418,127	3,872	55	153,305	2,787
WY	6	20,813	3,469	4	13,430	3,358	2	7,383	3,691
Total	2,354	7,515,807	3,193	1,269	4,103,051	3,233	1,085	3,412,756	3,145

Exhibit 2a
Continental General Insurance Company
Nationwide
Policy Forms: 440 Series et al.
Base Policy and Riders excluding ROP Rider
Policies With and Without Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	42,468	0	0.0%
1998	1,433,082	218,801	15.3%
1999	3,213,700	269,230	8.4%
2000	4,622,248	907,491	19.6%
2001	6,883,391	1,662,303	24.1%
2002	8,627,119	2,012,238	23.3%
2003	8,879,166	4,593,793	51.7%
2004	9,147,885	4,635,701	50.7%
2005	9,679,023	3,213,392	33.2%
2006	9,609,495	4,844,750	50.4%
2007	9,317,368	4,168,951	44.7%
2008	8,713,090	4,760,053	54.6%
2009	8,400,758	7,837,900	93.3%
2010	7,764,047	4,779,090	61.6%
2011	8,331,465	7,165,219	86.0%
2012	8,242,942	8,273,971	100.4%
2013	7,975,682	6,478,155	81.2%
2014	7,693,958	8,613,556	112.0%
2015	7,001,770	9,100,523	130.0%
2016	7,295,688	8,399,408	115.1%
Total	142,874,345	91,934,525	64.3%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Incurred Claims	Loss Ratio
1	9,521,945	627,419	6.6%
2	9,904,219	1,375,057	13.9%
3	8,717,093	3,013,129	34.6%
4	8,848,532	4,388,553	49.6%
5	8,544,223	3,155,352	36.9%
6	8,918,333	4,137,302	46.4%
7	9,158,301	5,083,974	55.5%
8	9,102,989	4,622,919	50.8%
9	8,798,338	5,729,865	65.1%
10	8,524,399	5,685,642	66.7%
11	8,121,989	7,485,101	92.2%
12	8,169,991	6,680,761	81.8%
13	7,885,946	7,678,264	97.4%
14	7,801,383	5,644,059	72.3%
15	7,109,816	8,250,863	116.0%
16	5,666,008	6,628,303	117.0%
17	4,064,632	6,679,490	164.3%
18	2,805,081	3,921,445	139.8%
19	1,169,845	1,105,796	94.5%
20	41,285	41,230	99.9%
21	0	0	0.0%
Total	142,874,345	91,934,525	64.3%

Present Values at 5%

	Earned Premium	Incurred Claims	Loss Ratio
Nationwide			
Historical	225,791,533	129,137,514	57.2%

Exhibit 2b
Continental General Insurance Company
Nationwide
Policy Forms: 440 Series et al.
Base Policy and Riders excluding ROP Rider
Policies Without Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	25,218	0	0.0%
1998	804,734	204,680	25.4%
1999	1,664,144	251,934	15.1%
2000	2,431,592	643,777	26.5%
2001	4,176,083	939,901	22.5%
2002	5,487,191	1,569,389	28.6%
2003	5,581,210	3,447,248	61.8%
2004	5,746,207	3,739,645	65.1%
2005	5,941,316	2,588,599	43.6%
2006	5,768,277	3,714,939	64.4%
2007	5,517,120	3,272,398	59.3%
2008	4,976,355	3,536,141	71.1%
2009	4,844,196	4,626,163	95.5%
2010	4,484,750	3,249,290	72.5%
2011	4,581,720	5,447,531	118.9%
2012	4,418,315	5,230,458	118.4%
2013	4,142,586	2,532,551	61.1%
2014	3,850,144	3,684,922	95.7%
2015	3,157,100	3,740,039	118.5%
2016	3,366,267	4,496,793	133.6%
Total	80,964,526	56,916,398	70.3%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Incurred Claims	Loss Ratio
1	6,074,941	613,298	10.1%
2	6,352,727	1,197,142	18.8%
3	5,409,237	2,714,496	50.2%
4	5,604,291	3,086,296	55.1%
5	5,394,864	2,280,777	42.3%
6	5,525,669	3,222,518	58.3%
7	5,615,732	4,197,244	74.7%
8	5,280,954	4,050,957	76.7%
9	5,023,911	4,148,395	82.6%
10	4,876,000	4,650,838	95.4%
11	4,590,475	5,134,919	111.9%
12	4,536,898	3,589,554	79.1%
13	4,269,732	4,153,231	97.3%
14	3,972,882	3,319,528	83.6%
15	3,394,031	4,195,642	123.6%
16	2,417,923	2,720,490	112.5%
17	1,391,953	1,972,649	141.7%
18	850,589	1,273,288	149.7%
19	363,943	366,827	100.8%
20	17,775	28,312	159.3%
21	0	0	0.0%
Total	80,964,526	56,916,398	70.3%

Present Values at 5%

	Earned Premium	Incurred Claims	Loss Ratio
Nationwide			
Historical	129,876,825	83,128,083	64.0%

Exhibit 2c
Continental General Insurance Company
Nationwide
Policy Forms: 440 Series et al.
Base Policy and Riders excluding ROP Rider
Policies With Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	17,250	0	0.0%
1998	628,347	14,121	2.2%
1999	1,549,556	17,297	1.1%
2000	2,190,657	263,714	12.0%
2001	2,707,308	722,402	26.7%
2002	3,139,928	442,849	14.1%
2003	3,297,957	1,146,544	34.8%
2004	3,401,677	896,056	26.3%
2005	3,737,707	624,794	16.7%
2006	3,841,218	1,129,810	29.4%
2007	3,800,247	896,553	23.6%
2008	3,736,736	1,223,911	32.8%
2009	3,556,562	3,211,737	90.3%
2010	3,279,297	1,529,800	46.7%
2011	3,749,745	1,717,688	45.8%
2012	3,824,627	3,043,513	79.6%
2013	3,833,095	3,945,605	102.9%
2014	3,843,813	4,928,634	128.2%
2015	3,844,671	5,360,484	139.4%
2016	3,929,420	3,902,615	99.3%
Total	61,909,819	35,018,127	56.6%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Incurred Claims	Loss Ratio
1	3,447,003	14,121	0.4%
2	3,551,492	177,916	5.0%
3	3,307,855	298,633	9.0%
4	3,244,241	1,302,257	40.1%
5	3,149,359	874,576	27.8%
6	3,392,664	914,784	27.0%
7	3,542,569	886,729	25.0%
8	3,822,035	571,963	15.0%
9	3,774,427	1,581,471	41.9%
10	3,648,399	1,034,804	28.4%
11	3,531,514	2,350,182	66.5%
12	3,633,092	3,091,207	85.1%
13	3,616,214	3,525,034	97.5%
14	3,828,502	2,324,530	60.7%
15	3,715,785	4,055,221	109.1%
16	3,248,085	3,907,814	120.3%
17	2,672,679	4,706,841	176.1%
18	1,954,491	2,648,158	135.5%
19	805,902	738,969	91.7%
20	23,509	12,918	54.9%
21	0	0	0.0%
Total	61,909,819	35,018,127	56.6%

Present Values at 5%

	Earned Premium	Incurred Claims	Loss Ratio
Nationwide			
Historical	95,914,708	46,009,431	48.0%

Exhibit 2d
Continental General Insurance Company
Virginia
Policy Forms: 440 Series et al.
Base Policy and Riders excluding ROP Rider
Policies With and Without Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	1,564	0	0.0%
1998	18,807	0	0.0%
1999	25,627	0	0.0%
2000	34,881	44,762	128.3%
2001	39,654	10,963	27.6%
2002	46,788	0	0.0%
2003	49,661	0	0.0%
2004	56,637	19,385	34.2%
2005	55,935	0	0.0%
2006	64,170	0	0.0%
2007	68,445	0	0.0%
2008	63,927	0	0.0%
2009	62,120	195	0.3%
2010	58,256	157,253	269.9%
2011	58,069	149,166	256.9%
2012	69,632	0	0.0%
2013	67,705	12,174	18.0%
2014	63,856	2,231	3.5%
2015	54,966	5,543	10.1%
2016	47,198	283,545	600.8%
Total	1,007,897	685,217	68.0%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Incurred Claims	Loss Ratio
1	53,584	0	0.0%
2	56,081	0	0.0%
3	53,477	44,762	83.7%
4	53,415	10,963	20.5%
5	54,668	0	0.0%
6	50,213	0	0.0%
7	49,208	19,385	39.4%
8	53,404	0	0.0%
9	57,371	0	0.0%
10	66,984	0	0.0%
11	53,239	0	0.0%
12	55,969	195	0.3%
13	55,185	163,946	297.1%
14	60,547	151,525	250.3%
15	65,396	8,663	13.2%
16	59,582	4,115	6.9%
17	49,132	1,943	4.0%
18	38,116	3,307	8.7%
19	20,880	276,140	1322.5%
20	1,447	272	18.8%
21	0	0	0.0%
Total	1,007,897	685,217	68.0%

Present Values at 5%

	Earned Premium	Incurred Claims	Loss Ratio
Virginia			
Historical	1,571,126	883,920	56.3%

Exhibit 2e
Continental General Insurance Company
Virginia
Policy Forms: 440 Series et al.
Base Policy and Riders excluding ROP Rider
Policies Without Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	1,417	0	0.0%
1998	11,399	0	0.0%
1999	14,733	0	0.0%
2000	19,541	44,762	229.1%
2001	20,191	10,963	54.3%
2002	27,294	0	0.0%
2003	26,931	0	0.0%
2004	31,008	0	0.0%
2005	30,665	0	0.0%
2006	27,731	0	0.0%
2007	30,937	0	0.0%
2008	26,493	0	0.0%
2009	26,072	0	0.0%
2010	26,071	157,253	603.2%
2011	25,704	0	0.0%
2012	30,352	0	0.0%
2013	27,762	0	0.0%
2014	24,657	0	0.0%
2015	11,921	718	6.0%
2016	13,703	2,572	18.8%
Total	454,581	216,269	47.6%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Incurred Claims	Loss Ratio
1	29,396	0	0.0%
2	32,309	0	0.0%
3	28,376	44,762	157.7%
4	28,625	10,963	38.3%
5	30,961	0	0.0%
6	25,897	0	0.0%
7	20,476	0	0.0%
8	20,376	0	0.0%
9	25,031	0	0.0%
10	30,078	0	0.0%
11	24,872	0	0.0%
12	21,868	0	0.0%
13	19,495	157,253	806.6%
14	20,729	0	0.0%
15	24,532	0	0.0%
16	22,269	4	0.0%
17	21,920	116	0.5%
18	14,369	961	6.7%
19	11,608	1,949	16.8%
20	1,394	262	18.8%
21	0	0	0.0%
Total	454,581	216,269	47.6%

Present Values at 5%

	Earned Premium	Incurred Claims	Loss Ratio
Virginia			
Historical	739,357	342,825	46.4%

Exhibit 2f
Continental General Insurance Company
Virginia
Policy Forms: 440 Series et al.
Base Policy and Riders excluding ROP Rider
Policies With Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	147	0	0.0%
1998	7,408	0	0.0%
1999	10,894	0	0.0%
2000	15,340	0	0.0%
2001	19,463	0	0.0%
2002	19,494	0	0.0%
2003	22,730	0	0.0%
2004	25,629	19,385	75.6%
2005	25,270	0	0.0%
2006	36,439	0	0.0%
2007	37,508	0	0.0%
2008	37,434	0	0.0%
2009	36,047	195	0.5%
2010	32,186	0	0.0%
2011	32,366	149,166	460.9%
2012	39,281	0	0.0%
2013	39,943	12,174	30.5%
2014	39,199	2,231	5.7%
2015	43,044	4,825	11.2%
2016	33,495	280,972	838.9%
Total	553,316	468,947	84.8%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Incurred Claims	Loss Ratio
1	24,188	0	0.0%
2	23,772	0	0.0%
3	25,100	0	0.0%
4	24,790	0	0.0%
5	23,707	0	0.0%
6	24,316	0	0.0%
7	28,732	19,385	67.5%
8	33,028	0	0.0%
9	32,341	0	0.0%
10	36,906	0	0.0%
11	28,366	0	0.0%
12	34,101	195	0.6%
13	35,689	6,692	18.8%
14	39,818	151,525	380.5%
15	40,864	8,663	21.2%
16	37,313	4,111	11.0%
17	27,212	1,828	6.7%
18	23,747	2,346	9.9%
19	9,272	274,192	2957.2%
20	54	10	18.8%
21	0	0	0.0%
Total	553,316	468,947	84.8%

Present Values at 5%

	Earned Premium	Incurred Claims	Loss Ratio
Virginia			
Historical	831,769	541,095	65.1%

Exhibit 3a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Nationwide Experience Before and After Nationwide Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	42,468	0	0.0%
1998	1,433,082	218,801	15.3%
1999	3,213,700	269,230	8.4%
2000	4,622,248	907,491	19.6%
2001	6,883,391	1,662,303	24.1%
2002	8,627,119	2,012,238	23.3%
2003	8,879,166	4,593,793	51.7%
2004	9,147,885	4,635,701	50.7%
2005	9,679,023	3,213,392	33.2%
2006	9,609,495	4,844,750	50.4%
2007	9,317,368	4,168,951	44.7%
2008	8,713,090	4,760,053	54.6%
2009	8,400,758	7,837,900	93.3%
2010	7,764,047	4,779,090	61.6%
2011	8,331,465	7,165,219	86.0%
2012	8,242,942	8,273,971	100.4%
2013	7,975,682	6,478,155	81.2%
2014	7,693,958	8,613,556	112.0%
2015	7,001,770	9,100,523	130.0%
2016	7,295,688	8,399,408	115.1%

Projected Future Experience Before Nationwide Rate Increase				Projected Future Experience After Nationwide Rate Increase			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	7,237,304	9,404,613	129.9%	2017	7,237,304	9,404,613	129.9%
2018	6,910,445	10,107,705	146.3%	2018	8,559,911	10,267,786	120.0%
2019	6,502,648	10,800,837	166.1%	2019	14,871,172	11,679,043	78.5%
2020	6,060,811	11,467,126	189.2%	2020	14,666,337	12,417,120	84.7%
2021	5,613,633	12,090,357	215.4%	2021	13,655,283	13,006,248	95.2%
2022	5,165,543	12,654,807	245.0%	2022	12,630,069	13,517,031	107.0%
2023	4,725,212	13,145,284	278.2%	2023	11,613,857	13,935,560	120.0%
2024	4,304,582	13,579,290	315.5%	2024	10,640,479	14,284,967	134.3%
2025	3,901,545	13,933,783	357.1%	2025	9,700,650	14,539,141	149.9%
2026	3,517,120	14,206,836	403.9%	2026	8,796,316	14,701,311	167.1%
2027	3,153,081	14,371,912	455.8%	2027	7,932,284	14,751,277	186.0%
2028	2,810,457	14,383,993	511.8%	2028	7,111,825	14,651,818	206.0%
2029	2,490,016	14,277,880	573.4%	2029	6,337,747	14,436,849	227.8%
2030	2,192,461	14,051,631	640.9%	2030	5,612,800	14,100,866	251.2%
2031	1,916,677	13,758,483	717.8%	2031	4,934,182	13,701,111	277.7%
2032	1,662,307	13,346,691	802.9%	2032	4,301,829	13,193,369	306.7%
2033	1,430,882	12,815,612	895.6%	2033	3,721,829	12,581,135	338.0%
2034	1,225,602	12,183,150	994.1%	2034	3,205,151	11,886,688	370.9%
2035	1,042,940	11,457,757	1098.6%	2035	2,742,125	11,115,855	405.4%
2036	881,153	10,652,469	1208.9%	2036	2,328,936	10,281,490	441.5%
2037	739,039	9,807,371	1327.0%	2037	1,963,339	9,420,423	479.8%
2038	615,314	8,940,115	1452.9%	2038	1,642,801	8,548,999	520.4%
2039	508,534	8,074,872	1587.9%	2039	1,364,261	7,689,112	563.6%
2040	417,213	7,210,440	1728.2%	2040	1,124,464	6,839,770	608.3%
2041	339,302	6,374,975	1878.9%	2041	918,246	6,024,899	656.1%
2042	273,535	5,570,390	2036.4%	2042	742,997	5,246,754	706.2%
2043	218,791	4,810,808	2198.8%	2043	596,332	4,517,453	757.5%
2044	174,292	4,118,308	2362.9%	2044	476,681	3,856,863	809.1%
2045	138,035	3,487,472	2526.5%	2045	378,708	3,258,237	860.4%
2046+	405,510	13,215,186	3258.9%	2046+	1,118,284	12,242,429	1094.8%

Present Values at 5%
Before Nationwide Rate Increase

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	225,791,533	129,137,514	57.2%
Projected Future	54,861,432	180,544,002	329.1%
Lifetime Anticipated	280,652,965	309,681,516	110.3%

Present Values at 5%
After Nationwide Rate Increase

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	225,791,533	129,137,514	57.2%
Projected Future	116,845,893	184,158,701	157.6%
Lifetime Anticipated	342,637,426	313,296,216	91.4%

Exhibit 3b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Nationwide Experience Before and After Nationwide Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	25,218	0	0.0%
1998	804,734	204,680	25.4%
1999	1,664,144	251,934	15.1%
2000	2,431,592	643,777	26.5%
2001	4,176,083	939,901	22.5%
2002	5,487,191	1,569,389	28.6%
2003	5,581,210	3,447,248	61.8%
2004	5,746,207	3,739,645	65.1%
2005	5,941,316	2,588,599	43.6%
2006	5,768,277	3,714,939	64.4%
2007	5,517,120	3,272,398	59.3%
2008	4,976,355	3,536,141	71.1%
2009	4,844,196	4,626,163	95.5%
2010	4,484,750	3,249,290	72.5%
2011	4,581,720	5,447,531	118.9%
2012	4,418,315	5,230,458	118.4%
2013	4,142,586	2,532,551	61.1%
2014	3,850,144	3,684,922	95.7%
2015	3,157,100	3,740,039	118.5%
2016	3,366,267	4,496,793	133.6%

Projected Future Experience Before Nationwide Rate Increase				Projected Future Experience After Nationwide Rate Increase			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	3,306,778	4,563,009	138.0%	2017	3,306,778	4,563,009	138.0%
2018	3,096,029	4,650,908	150.2%	2018	3,507,539	4,695,512	133.9%
2019	2,844,278	4,692,380	165.0%	2019	4,855,612	4,919,963	101.3%
2020	2,589,930	4,682,385	180.8%	2020	4,592,794	4,916,079	107.0%
2021	2,340,885	4,619,240	197.3%	2021	4,151,156	4,835,799	116.5%
2022	2,100,345	4,519,814	215.2%	2022	3,724,600	4,717,262	126.7%
2023	1,870,919	4,381,345	234.2%	2023	3,317,752	4,558,097	137.4%
2024	1,655,439	4,201,759	253.8%	2024	2,935,636	4,356,584	148.4%
2025	1,455,129	3,970,176	272.8%	2025	2,580,421	4,103,363	159.0%
2026	1,270,583	3,700,898	291.3%	2026	2,253,160	3,813,394	169.2%
2027	1,102,140	3,423,277	310.6%	2027	1,954,456	3,516,358	179.9%
2028	949,563	3,137,191	330.4%	2028	1,683,886	3,212,833	190.8%
2029	812,361	2,850,276	350.9%	2029	1,440,582	2,909,938	202.0%
2030	690,004	2,553,786	370.1%	2030	1,223,602	2,598,907	212.4%
2031	581,665	2,262,260	388.9%	2031	1,031,483	2,295,114	222.5%
2032	486,520	1,981,312	407.2%	2032	862,759	2,004,232	232.3%
2033	403,690	1,721,688	426.5%	2033	715,875	1,736,444	242.6%
2034	332,690	1,484,369	446.2%	2034	589,968	1,492,807	253.0%
2035	272,255	1,268,758	466.0%	2035	482,797	1,272,474	263.6%
2036	221,150	1,071,884	484.7%	2036	392,172	1,072,520	273.5%
2037	178,316	895,225	502.0%	2037	316,212	893,860	282.7%
2038	142,744	741,504	519.5%	2038	253,131	738,747	291.8%
2039	113,477	608,355	536.1%	2039	201,231	604,798	300.5%
2040	89,616	496,630	554.2%	2040	158,918	492,607	310.0%
2041	70,294	402,031	571.9%	2041	124,655	397,925	319.2%
2042	54,774	322,591	588.9%	2042	97,133	318,637	328.0%
2043	42,402	254,676	600.6%	2043	75,192	251,141	334.0%
2044	32,755	199,390	608.7%	2044	58,086	196,342	338.0%
2045	25,239	155,101	614.5%	2045	44,758	152,514	340.8%
2046+	70,359	446,519	634.6%	2046+	124,769	437,202	350.4%

Present Values at 5%
Before Nationwide Rate Increase

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	129,876,825	83,128,083	64.0%
Projected Future	21,857,991	47,614,434	217.8%
Lifetime Anticipated	151,734,815	130,742,518	86.2%

Present Values at 5%
After Nationwide Rate Increase

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	129,876,825	83,128,083	64.0%
Projected Future	34,256,363	48,956,694	142.9%
Lifetime Anticipated	164,133,187	132,084,777	80.5%

Exhibit 3c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Nationwide Experience Before and After Nationwide Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	17,250	0	0.0%
1998	628,347	14,121	2.2%
1999	1,549,556	17,297	1.1%
2000	2,190,657	263,714	12.0%
2001	2,707,308	722,402	26.7%
2002	3,139,928	442,849	14.1%
2003	3,297,957	1,146,544	34.8%
2004	3,401,677	896,056	26.3%
2005	3,737,707	624,794	16.7%
2006	3,841,218	1,129,810	29.4%
2007	3,800,247	896,553	23.6%
2008	3,736,736	1,223,911	32.8%
2009	3,556,562	3,211,737	90.3%
2010	3,279,297	1,529,800	46.7%
2011	3,749,745	1,717,688	45.8%
2012	3,824,627	3,043,513	79.6%
2013	3,833,095	3,945,605	102.9%
2014	3,843,813	4,928,634	128.2%
2015	3,844,671	5,360,484	139.4%
2016	3,929,420	3,902,615	99.3%

Projected Future Experience Before Nationwide Rate Increase				Projected Future Experience After Nationwide Rate Increase			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	3,930,525	4,841,604	123.2%	2017	3,930,525	4,841,604	123.2%
2018	3,814,416	5,456,798	143.1%	2018	5,052,372	5,572,274	110.3%
2019	3,658,370	6,108,456	167.0%	2019	10,015,560	6,759,080	67.5%
2020	3,470,881	6,784,741	195.5%	2020	10,073,543	7,501,042	74.5%
2021	3,272,748	7,471,117	228.3%	2021	9,504,128	8,170,448	86.0%
2022	3,065,198	8,134,993	265.4%	2022	8,905,469	8,799,769	98.8%
2023	2,854,293	8,763,939	307.0%	2023	8,296,105	9,377,463	113.0%
2024	2,649,142	9,377,531	354.0%	2024	7,704,843	9,928,384	128.9%
2025	2,446,416	9,963,607	407.3%	2025	7,120,229	10,435,777	146.6%
2026	2,246,537	10,505,939	467.7%	2026	6,543,156	10,887,917	166.4%
2027	2,050,941	10,948,635	533.8%	2027	5,977,828	11,234,920	187.9%
2028	1,860,894	11,246,802	604.4%	2028	5,427,939	11,438,985	210.7%
2029	1,677,655	11,427,604	681.2%	2029	4,897,165	11,526,911	235.4%
2030	1,502,457	11,497,845	765.3%	2030	4,389,197	11,501,959	262.1%
2031	1,335,012	11,496,223	861.1%	2031	3,902,699	11,405,997	292.3%
2032	1,175,787	11,365,379	966.6%	2032	3,439,070	11,189,137	325.4%
2033	1,027,192	11,093,924	1080.0%	2033	3,005,953	10,844,691	360.8%
2034	892,912	10,698,780	1198.2%	2034	2,615,183	10,393,881	397.4%
2035	770,685	10,188,999	1322.1%	2035	2,259,328	9,843,382	435.7%
2036	660,003	9,580,585	1451.6%	2036	1,936,764	9,208,969	475.5%
2037	560,723	8,912,146	1589.4%	2037	1,647,127	8,526,563	517.7%
2038	472,570	8,198,611	1734.9%	2038	1,389,670	7,810,252	562.0%
2039	395,058	7,466,517	1890.0%	2039	1,163,030	7,084,314	609.1%
2040	327,598	6,713,810	2049.4%	2040	965,547	6,347,164	657.4%
2041	269,008	5,972,943	2220.4%	2041	793,592	5,626,974	709.1%
2042	218,761	5,247,799	2398.9%	2042	645,864	4,928,118	763.0%
2043	176,389	4,556,132	2583.0%	2043	521,140	4,266,311	818.6%
2044	141,536	3,918,918	2768.8%	2044	418,595	3,660,522	874.5%
2045	112,796	3,332,371	2954.3%	2045	333,950	3,105,722	930.0%
2046+	335,151	12,768,667	3809.8%	2046+	993,515	11,805,226	1188.2%

Present Values at 5%
Before Nationwide Rate Increase

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	95,914,708	46,009,431	48.0%
Projected Future	33,003,441	132,929,568	402.8%
Lifetime Anticipated	128,918,149	178,938,999	138.8%

Present Values at 5%
After Nationwide Rate Increase

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	95,914,708	46,009,431	48.0%
Projected Future	82,589,530	135,202,007	163.7%
Lifetime Anticipated	178,504,239	181,211,439	101.5%

Exhibit 3d
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Virginia Experience Before and After Virginia Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	1,564	0	0.0%
1998	18,807	0	0.0%
1999	25,627	0	0.0%
2000	34,881	44,762	128.3%
2001	39,654	10,963	27.6%
2002	46,788	0	0.0%
2003	49,661	0	0.0%
2004	56,637	19,385	34.2%
2005	55,935	0	0.0%
2006	64,170	0	0.0%
2007	68,445	0	0.0%
2008	63,927	0	0.0%
2009	62,120	195	0.3%
2010	58,256	157,253	269.9%
2011	58,069	149,166	256.9%
2012	69,632	0	0.0%
2013	67,705	12,174	18.0%
2014	63,856	2,231	3.5%
2015	54,966	5,543	10.1%
2016	47,198	283,545	600.8%

Projected Future Experience Before Virginia Rate Increase				Projected Future Experience After Virginia Rate Increase			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	44,531	59,364	133.3%	2017	44,531	59,364	133.3%
2018	41,929	63,361	151.1%	2018	62,177	65,431	105.2%
2019	39,354	67,825	172.3%	2019	141,556	78,261	55.3%
2020	36,882	72,786	197.4%	2020	142,745	83,407	58.4%
2021	34,526	79,121	229.2%	2021	134,651	88,874	66.0%
2022	32,295	87,603	271.3%	2022	126,863	96,432	76.0%
2023	30,188	98,482	326.2%	2023	119,390	106,302	89.0%
2024	28,203	112,255	398.0%	2024	112,235	118,892	105.9%
2025	26,341	128,327	487.2%	2025	105,407	133,630	126.8%
2026	24,589	146,443	595.6%	2026	98,877	150,265	152.0%
2027	22,931	165,167	720.3%	2027	92,599	167,483	180.9%
2028	21,358	186,852	874.8%	2028	86,550	187,427	216.6%
2029	19,855	211,883	1067.1%	2029	80,686	210,346	260.7%
2030	18,411	240,147	1304.4%	2030	74,976	235,998	314.8%
2031	17,011	267,023	1569.7%	2031	69,386	260,143	374.9%
2032	15,649	290,928	1859.1%	2032	63,896	281,399	440.4%
2033	14,317	308,092	2151.9%	2033	58,498	296,282	506.5%
2034	13,013	321,423	2470.0%	2034	53,188	307,500	578.1%
2035	11,740	325,164	2769.8%	2035	47,988	309,807	645.6%
2036	10,500	325,900	3103.8%	2036	42,916	309,225	720.5%
2037	9,303	321,926	3460.3%	2037	38,014	304,212	800.3%
2038	8,157	316,241	3876.9%	2038	33,317	297,555	893.1%
2039	7,072	301,176	4258.9%	2039	28,869	282,351	978.0%
2040	6,056	277,559	4583.4%	2040	24,706	259,467	1050.2%
2041	5,121	250,234	4886.9%	2041	20,876	233,322	1117.6%
2042	4,271	223,659	5236.9%	2042	17,399	207,970	1195.3%
2043	3,511	199,226	5674.2%	2043	14,293	184,696	1292.3%
2044	2,843	172,966	6084.7%	2044	11,562	159,915	1383.1%
2045	2,264	146,160	6454.9%	2045	9,202	134,805	1464.9%
2046+	5,926	455,174	7680.4%	2046+	24,012	416,871	1736.1%

Present Values at 5%
Before Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	1,571,126	883,920	56.3%
Projected Future	374,928	2,742,899	731.6%
Lifetime Anticipated	1,946,053	3,626,819	186.4%

Present Values at 5%
After Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	1,571,126	883,920	56.3%
Projected Future	1,254,539	2,706,760	215.8%
Lifetime Anticipated	2,825,665	3,590,680	127.1%

Exhibit 3e
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Virginia Experience Before and After Virginia Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	1,417	0	0.0%
1998	11,399	0	0.0%
1999	14,733	0	0.0%
2000	19,541	44,762	229.1%
2001	20,191	10,963	54.3%
2002	27,294	0	0.0%
2003	26,931	0	0.0%
2004	31,008	0	0.0%
2005	30,665	0	0.0%
2006	27,731	0	0.0%
2007	30,937	0	0.0%
2008	26,493	0	0.0%
2009	26,072	0	0.0%
2010	26,071	157,253	603.2%
2011	25,704	0	0.0%
2012	30,352	0	0.0%
2013	27,762	0	0.0%
2014	24,657	0	0.0%
2015	11,921	718	6.0%
2016	13,703	2,572	18.8%

Projected Future Experience Before Virginia Rate Increase				Projected Future Experience After Virginia Rate Increase			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	11,582	24,963	215.5%	2017	11,582	24,963	215.5%
2018	10,049	22,565	224.6%	2018	13,119	23,970	182.7%
2019	8,587	20,287	236.3%	2019	22,548	26,840	119.0%
2020	7,257	17,824	245.6%	2020	20,161	23,936	118.7%
2021	6,074	15,137	249.2%	2021	16,875	20,234	119.9%
2022	5,043	12,727	252.4%	2022	14,011	16,878	120.5%
2023	4,155	10,723	258.1%	2023	11,544	14,009	121.4%
2024	3,403	9,179	269.7%	2024	9,454	11,704	123.8%
2025	2,779	7,806	280.9%	2025	7,721	9,693	125.5%
2026	2,269	6,593	290.6%	2026	6,303	7,954	126.2%
2027	1,856	5,682	306.1%	2027	5,157	6,619	128.4%
2028	1,530	5,060	330.8%	2028	4,250	5,664	133.3%
2029	1,276	4,631	362.8%	2029	3,546	4,987	140.6%
2030	1,083	4,411	407.2%	2030	3,009	4,581	152.2%
2031	937	4,371	466.7%	2031	2,602	4,410	169.5%
2032	824	4,478	543.3%	2032	2,290	4,422	193.1%
2033	737	4,693	637.1%	2033	2,046	4,566	223.1%
2034	666	4,820	723.9%	2034	1,850	4,647	251.2%
2035	606	4,968	819.9%	2035	1,683	4,761	282.9%
2036	553	5,431	982.8%	2036	1,535	5,185	337.7%
2037	504	5,926	1177.0%	2037	1,399	5,645	403.6%
2038	457	6,424	1406.2%	2038	1,269	6,112	481.6%
2039	412	5,966	1449.4%	2039	1,144	5,674	496.2%
2040	368	5,456	1483.5%	2040	1,022	5,188	507.7%
2041	325	4,922	1513.6%	2041	903	4,679	518.0%
2042	284	4,639	1634.1%	2042	789	4,410	559.2%
2043	244	4,309	1764.3%	2043	679	4,097	603.8%
2044	207	3,652	1765.7%	2044	575	3,472	604.2%
2045	172	3,038	1763.4%	2045	479	2,888	603.5%
2046+	522	9,192	1760.1%	2046+	1,451	8,739	602.3%

Present Values at 5%
Before Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	739,357	342,825	46.4%
Projected Future	57,970	163,345	281.8%
Lifetime Anticipated	797,327	506,169	63.5%

Present Values at 5%
After Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	739,357	342,825	46.4%
Projected Future	126,041	189,202	150.1%
Lifetime Anticipated	865,398	532,027	61.5%

Exhibit 3f
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Virginia Experience Before and After Virginia Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	147	0	0.0%
1998	7,408	0	0.0%
1999	10,894	0	0.0%
2000	15,340	0	0.0%
2001	19,463	0	0.0%
2002	19,494	0	0.0%
2003	22,730	0	0.0%
2004	25,629	19,385	75.6%
2005	25,270	0	0.0%
2006	36,439	0	0.0%
2007	37,508	0	0.0%
2008	37,434	0	0.0%
2009	36,047	195	0.5%
2010	32,186	0	0.0%
2011	32,366	149,166	460.9%
2012	39,281	0	0.0%
2013	39,943	12,174	30.5%
2014	39,199	2,231	5.7%
2015	43,044	4,825	11.2%
2016	33,495	280,972	838.9%

Projected Future Experience Before Virginia Rate Increase				Projected Future Experience After Virginia Rate Increase			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	32,948	34,401	104.4%	2017	32,948	34,401	104.4%
2018	31,880	40,796	128.0%	2018	49,057	41,461	84.5%
2019	30,767	47,538	154.5%	2019	119,007	51,421	43.2%
2020	29,624	54,962	185.5%	2020	122,583	59,472	48.5%
2021	28,452	63,984	224.9%	2021	117,776	68,641	58.3%
2022	27,251	74,876	274.8%	2022	112,852	79,554	70.5%
2023	26,032	87,759	337.1%	2023	107,847	92,293	85.6%
2024	24,800	103,075	415.6%	2024	102,782	107,188	104.3%
2025	23,561	120,521	511.5%	2025	97,686	123,938	126.9%
2026	22,320	139,850	626.6%	2026	92,574	142,311	153.7%
2027	21,075	159,485	756.8%	2027	87,442	160,863	184.0%
2028	19,829	181,793	916.8%	2028	82,301	181,763	220.9%
2029	18,579	207,251	1115.5%	2029	77,140	205,360	266.2%
2030	17,328	235,736	1360.5%	2030	71,967	231,417	321.6%
2031	16,075	262,652	1633.9%	2031	66,784	255,733	382.9%
2032	14,824	286,450	1932.3%	2032	61,606	276,976	449.6%
2033	13,580	303,399	2234.1%	2033	56,452	291,716	516.8%
2034	12,347	316,603	2564.2%	2034	51,338	302,853	589.9%
2035	11,134	320,196	2875.9%	2035	46,304	305,047	658.8%
2036	9,947	320,469	3221.6%	2036	41,381	304,040	734.7%
2037	8,800	315,999	3591.0%	2037	36,616	298,567	815.4%
2038	7,700	309,817	4023.4%	2038	32,048	291,442	909.4%
2039	6,660	295,210	4432.5%	2039	27,725	276,677	997.9%
2040	5,688	272,103	4783.8%	2040	23,685	254,280	1073.6%
2041	4,795	245,313	5115.6%	2041	19,973	228,642	1144.8%
2042	3,987	219,020	5493.4%	2042	16,610	203,560	1225.5%
2043	3,267	194,917	5966.5%	2043	13,614	180,600	1326.6%
2044	2,636	169,314	6423.6%	2044	10,987	156,444	1423.8%
2045	2,092	143,122	6841.2%	2045	8,723	131,917	1512.2%
2046+	5,404	445,982	8252.5%	2046+	22,561	408,133	1809.0%

Present Values at 5%
Before Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	831,769	541,095	65.1%
Projected Future	316,957	2,579,555	813.8%
Lifetime Anticipated	1,148,726	3,120,650	271.7%

Present Values at 5%
After Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	831,769	541,095	65.1%
Projected Future	1,128,497	2,517,558	223.1%
Lifetime Anticipated	1,960,266	3,058,654	156.0%

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Reset Form

Company Name and NAIC Number:	Continental General Insurance Company, NAIC #71404
SERFF Tracking Number:	GLTC-131254015
Effective Date:	On approval, as allowed per regulation.

Revised Rates

Average Annual Premium Per Member:	3,931
Average Requested Percentage Rate Change Per Member:	55.0%
Minimum Requested Percentage Rate Change Per Member:	55.0%
Maximum Requested Percentage Rate Change Per Member:	55.0%
Number of Policy Holders Affected :	18

Plans Affected

(The Form Number and “Product Name”)

Form#	“Product Name”(if applicable)
440	N/A

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

Please see the attached Summary of Key Information.

This document is intended to help explain the rate filing and it is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.

Summary of Key Information

The main drivers of the rate increase need on policy forms 440 et al. are increased persistency and increased morbidity compared to that assumed at the time of original pricing. Policyholders are retaining their policies longer than was anticipated when these products were initially priced, which is resulting in more policies reaching advanced ages at which claims occur more frequently and with higher severity.

The rate increase justified for these policy forms was determined on a fully prospective basis using best estimate assumptions. The assumptions and methods used to calculate the justified rate increase need are summarized in more detail in Section IV and Section V of the Actuarial Memorandum.

July 5, 2018

Bureau of Insurance
State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 4/24/2018 regarding the rate revision filing for the above referenced policy forms. Please find the requested information in support of our rate filling below.

1. *Please list all affected rider and endorsement form numbers in the "Affected Form Numbers:" section of the Rate/Rule Schedule.*

The rider form numbers associated with policy form 440 in Virginia have been added to the Rate/Rule Schedule tab. Please note, the Inflation Guard Rider is the only rider for which we are requesting an increase on the rider percentage load.

2. *Please revise the actuarial certification to comply with 14VAC5-200-77 B. 2.*

This rate increase filing affects policies issued between 10/22/1997 and 4/9/2001, while 14VAC5-200-77 appears to be applicable to policies issued on or after 9/1/2015. Instead, at this time we would like to demonstrate compliance with 14VAC5-200-150. Per 14VAC5-200-150(B), we have restated the original pricing loss ratio of 60.0% using the average maximum valuation interest rate for contract reserves of 4.50% for these forms. This restated original pricing loss ratio is 61.9%. Please see **Exhibit 4a** which demonstrates reasonability of the proposed premium rate schedule per 14VAC5-200-150(B). As shown in **Exhibit 4a**, incurred claims exceed the sum of 61.9% of original-level premium and 80.0% of rate-increased premium, without any margin for adverse deviation. Please note that the Nationwide earned premium demonstrated in this exhibit has been restated as if all states had the same rate increase history as Virginia for these policy forms. This dual loss ratio test is also passed for just those policies which have an active Inflation Guard Rider (as demonstrated in **Exhibit 4c**) and those policies which do not have an active Inflation Guard Rider (as demonstrated in **Exhibit 4b**).

3. *Please provide a copy of the original actuarial memorandum in Virginia, including original pricing assumptions, original anticipated loss ratio, and mix of business.*

Please find that a copy of the original Actuarial Memorandum has been uploaded to SERFF.

4. *For all projections requested below, please comply with the following:*
- a. *Please remove any policies in paid-up status from all projections, both past and future.*

Please note the following in regard to the treatment of policies with nonforfeiture benefits, limited pay riders, and permanent waiver of premium status for the experience created for item 5 below:

- **Nonforfeiture policies:** The experience excludes policies which had elected a contingent non-forfeiture benefit as of 12/31/2016.
- **Limited-pay policies:** The experience associated with limited-pay policies is included in the exhibits for item 5. Please note, however, that there are only 8 limited-pay policies in force on these forms as of 12/31/2016. The experience attributable to these policies is immaterial to the rate increase justified for these forms.
- **Permanent waiver of premium status:** There are currently approximately 68 insureds on these forms who are paid-up due to a Survivorship benefit on their policy, and the experience for item 5 also includes experience attributable to insureds who are currently on waiver of premium due to being on claim. Please note that the premium waiver for these policies is included in the Earned Premium stream demonstrated in all projections. Therefore, while there are claims in the projection for these insureds, their premium is included in the projections as well.

- b. *Please use the average maximum valuation interest rate for accumulation and discounting, including any discounting of claim reserves back to the incurral year.*

The average maximum valuation interest rate is 4.50% for this form series. This interest rate has been used for the accumulation and discounting of cash flows to 12/31/2016 in the exhibits created for item 5 below. Please note, historical claims and reserves were discounted back to the claim incurral data at an interest rate of 5.0% in these exhibits. As such, the accumulated value of the historical claims as of 12/31/2016 in these exhibits is slightly understated.

- c. *Please recompute nationwide earned premiums to assume Virginia rate levels (both the past and proposed rate changes in Virginia).*

In the exhibits provided for items 5a through 5c below, earned premium has been adjusted as if each state had the same rate increase history as Virginia.

5. *For each of the four subsets of the business corresponding to the combinations of (up to 5 year/>5 year benefit periods) and (with/without inflation rider), please provide (in Excel format) the following six nationwide projections (24 total):*
- a. *current assumptions and current rates*
- b. *current assumptions with the proposed rate increase*
- c. *current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection*
- d. *current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception*
- e. *original assumptions and original premiums from inception*

f. actual past experience (claims, mortality, lapse) but original assumptions in the future, with all premiums at the original premium scale from inception

Please note that the projections requested have been provided separately for inflation benefits, but in aggregate for benefit periods. Experience split by benefit period is not readily available to provide to the Bureau. This is a relatively large undertaking, and we do not currently have the resources to focus on this task.

With respect to item (a), please see the attached **Exhibit 5a** through **Exhibit 5c**. In **Exhibit 5a** through **Exhibit 5c**, Nationwide earned premium has been restated as if all states Nationwide had the same rate increase history as Virginia without the impact of the proposed rate increase. **Exhibit 5b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 5c** demonstrates experience for those policies which have an active IGR. **Exhibit 5a** contains the combined experience.

With respect to item (b), please see the attached **Exhibit 6a** through **Exhibit 6c**. In **Exhibit 6a** through **Exhibit 6c**, Nationwide earned premium has been restated as if all states Nationwide had the same rate increase history as Virginia with the impact of the proposed rate increase. Shock lapse, benefit reductions, anti-selection, and NFO residual liability resulting from the proposed rate increase are reflected in these exhibits. **Exhibit 6b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 6c** demonstrates experience for those policies which have an active IGR. **Exhibit 6a** contains the combined experience.

With respect to item (c), please see the attached **Exhibit 7a** through **Exhibit 7c**. In **Exhibit 7a** through **Exhibit 7c**, Nationwide earned premium has been restated as if Nationwide had the same rate increase history as Virginia with the impact of the proposed rate increase, but excludes the impact of shock lapse, benefit reductions, NFO residual liability, and anti-selection. **Exhibit 7b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 7c** demonstrates experience for those policies which have an active IGR. **Exhibit 7a** contains the combined experience.

With respect to item (d), please see the attached **Exhibit 8a** through **Exhibit 8c**. In **Exhibit 8a** through **Exhibit 8c**, Nationwide earned premium has been restated to the proposed Virginia rate level since inception by increasing the earned premium previously presented in Exhibit 3a through Exhibit 3c since inception to reflect the proposed Nationwide rate level. **Exhibit 8b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 8c** demonstrates experience for those policies which have an active IGR. **Exhibit 8a** contains the combined experience.

Please note, **Exhibit 8a** through **Exhibit 8c** do not account for the different risk that would have resulted if the premium rates had been at the current rate level at the time of issue. The resulting risk pool would have been unhealthier overall, and would lead to an increase in the incurred claims experienced by the Company as compared to those demonstrated in these exhibits. Additionally, the assumptions used at the time of pricing did not support the level of premium indicated in these exhibits. Therefore, it was not feasible for the Company to have charged the proposed rates from inception. Therefore, the Company cautions against drawing

conclusions from these exhibits and utilizing it as part of the review of the current rate increase proposal.

Additionally, please note that the incurred claims presented in **Exhibit 6a** through **Exhibit 8c** do not include the impact of the proposed rate increase on the premium-based claim components. As such, the incurred claims presented in **Exhibit 6a** through **Exhibit 8c** are understated relative to **Exhibit 5a** through **Exhibit 5c** for the purpose of assessing the impact of the rate increase on projected claims.

With respect to item (e), please see the attached **Exhibit 9a** through **Exhibit 9c**, which demonstrate expected Nationwide experience at original premium rates since inception under original assumptions. **Exhibit 9b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 9c** demonstrates experience for those policies which have an active IGR. **Exhibit 9a** contains the combined experience.

With respect to item (f), please see the attached **Exhibit 10a** through **Exhibit 10c**, which demonstrate actual historical experience and projected experience using original assumptions, with earned premium adjusted to the original rate level from inception. **Exhibit 10b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 10c** demonstrates experience for those policies which have an active IGR. **Exhibit 10a** contains the combined experience.

6. *For each of the four subsets of the business above, please provide the active life reserves on a nationwide basis.*

Inflation Grouping	Benefit Period	Active Life Reserve as of 12/31/2016
Active IGR	5 years or less	\$7.7M
Active IGR	More than 5 years	\$54.5M
No Active IGR	5 years or less	\$4.5M
No Active IGR	More than 5 years	\$10.8M

7. *Please specify whether waived premiums are included in earned premiums and incurred claims; provide the waived premium amounts and impact on requested increase.*

Waived premium is included in both earned premium and incurred claims demonstrated in the above exhibits. The present value of waived premium in Exhibit 3a through Exhibit 3c on a lifetime basis is provided below. Please note, on a lifetime basis, the waiver included in earned premium is equal to the waiver included in incurred claims.

Present Value of Waiver of Premium at 5.0%			
	Lives with Active IGR	Lives Without Active IGR	All Lives
Nationwide	10.2M	11.9M	22.1M

Excluding waived premium from the cash flows would result in a higher rate increase need under the Gap Analysis formula presented in Section IV.A of the Actuarial Memorandum. This is

because the present value of future waived premium is greater for earned premium than it is for incurred claims, as the earned premium is presented on an earned year basis while the incurred claims are presented on an incurred year basis.

8. *Please show both the claim reserve and the paid claims separately in the projections. Please specify whether the claim reserves are fixed at the time of the claim or adjusted over time to reflect experience as it emerges. Please provide a sufficiency analysis of the actual runoff experience of historical claims over time versus the claim reserves that were assumed.*

Please see the attached **Exhibit 11a** through **Exhibit 11c**, which demonstrate claim reserves and paid claims separately for historical years. The projection utilized by the Company is an incurred basis projection which uses claims costs for the morbidity assumption. The incurred claims are not calculated in the projection as paid claims plus the change in reserve. As such, the paid claims and reserves associated with any future incurred claims are unable to be demonstrated separately.

The following information regarding claim reserves has been provided by our Chief Actuary:

“The assumptions for claim reserves are set at the date of the incurral and are not updated to reflect emerging experience. However, the claim reserve is based on the status of the claim as of the valuation date, reflecting the current situs of care as well as the current persistency of the claim which will have an impact on the claim reserve calculation as of the valuation date.”

A test of the prior year’s claim reserves and liabilities is provided in the table below.

TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES

1. Claims Paid During 2017	
1.1 On claims incurred prior to 2017	38,543,736
1.2 On claims incurred during 2017	6,652,595
2. Claim Reserves and Liabilities, December 31, 2017	
2.1 On claims incurred prior to 2017	93,284,606
2.2 On claims incurred during 2017	49,559,820
3. Test of Sufficiency	
3.1 Lines 1.1 and 2.1	131,828,342
3.2 Claim reserves and liabilities, December 31, 2016	129,112,291
3.3 Long Duration Liability Interest	4,005,021
3.3 Line 3.1 minus Line 3.2 minus Line 3.3 Deficiency / (Sufficiency)	(1,288,970)

Please note that the above information is provided for the entire block of the Company’s Long-Term Care business as some historical information is not available on a form-specific basis.

9. *Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.*

Please see the attached **Exhibit 12** which demonstrates the rate increase history for each state prior to the current filing.

Additionally, we have supplied **Exhibit 13**. **Exhibit 13** includes the status of existing rate increase requests, the cumulative approved rate increase percentage prior to the current filing, and the annualized premium for each state.

10. *Appendix D-1 shows that the implied voluntary lapse rate is significantly higher in the ultimate durations than the assumptions. Since this assumption greatly impacts the projected loss ratio, please explain why an overly conservative assumption is appropriate, and provide sensitivity projections with assumed lapses at experience levels.*

Please note, the Company believes the voluntary lapse assumption is appropriate as-is. The current lapse assumption is consistent with the Company's asset adequacy testing assumption for 12/31/2016 and 12/31/2017. Additionally, we would like to note that the lapse experience in later durations is not yet fully developed. As of 12/31/16, most policies on these forms are in durations 17+. However, of the 197,697 life years of exposure included in Exhibit D-1, only 10.6% of the experience is for durations 17+. As experience fully develops for the projected durations, we anticipate the actual rates to be approximately equal to our current assumptions.

The requested projections have been provided as **Exhibit 14a** through **Exhibit 14c**, which assume an ultimate voluntary lapse rate of 1.3%. **Exhibit 14b** demonstrates experience for those policies which do not have an active IGR, while **Exhibit 14c** demonstrates experience for those policies which have an active IGR. **Exhibit 14a** contains the combined experience.

11. *Please expand the narrative in the "Summary of Key Information" so that any person reviewing this filing would understand the reason for the rate increase and its driving factors. Below is an example of what we would consider user friendly language:*

When the policy was originally priced, premiums were based on projections regarding how long the policy stays in force, at what rate deaths occur, and when an insured voluntarily terminates his policy. The results are much higher than these original projections. The reasons for this are due to individuals living longer and keeping their policies longer. This has resulted in more claims. For these reasons, premiums must be increased to ensure that all claims are thoroughly funded.

Please find that a revised "Summary of Key Information" has been uploaded to SERFF.

12. *Please explain the delay in requesting this rate increase. In the 2017 Annual Report submitted under SERFF GLTC-130623423, the actuary certified on June 30, 2017 that the premium was not sufficient to cover anticipated costs under best estimate assumptions and, "that a plan of action will be submitted to the commission within 60 days of this certification." The rate increase*

request was not submitted until 3/12/2018, well beyond 60 days from the actuarial certification that a plan of action would be submitted.

The Company would like to apologize for the oversight of failing to submit a plan of action within 60 days of filing the 2017 Annual Report. The Company has submitted the required plan of action along with the 2018 Annual Report for these forms in SERFF Filing GLTC-131518713. We have instilled a control to ensure that the plan of action will continue to be submitted along with the Annual Report in future annual certification filings for forms with insufficient premium.

13. Please explain what steps the company has taken to minimize rate increases on this block of business.

The Company has been committed to filing rate increases consistently on these forms in order to manage the impact that timing delay would have on the rate increase need. Additionally, the rate increase currently requested is less than the full rate increase that would be justified under the regulations applicable to these forms in Virginia. We would also like to note that Exhibit 3a demonstrates that the Nationwide lifetime loss ratio after the justified rate increase is 91.4%, which is much higher than the 60.0% loss ratio that these forms were priced to. Though the Virginia-specific experience is incredible, Exhibit 3d similarly demonstrates that the lifetime loss ratio in Virginia after the current proposed rate increase is 127.1%.

We would also like to call your attention to the following aspects of the rate increase methodology used for this block of forms:

- Gap Analysis calculates the rate increase needed simply to break even on a prospective basis, and so does not include any historical experience. We believe the most recent NAIC Long-Term Care model regulation would consider the absence of historical experience to imply the Gap Analysis calculation does not recoup for past losses.
- The Gap Analysis calculation uses a strengthened Active Life Reserve (ALR). Specifically, the ALR used in the Gap Analysis was determined assuming 0 future lapses. Substituting in an ALR calculated under original pricing assumptions would increase the Gap relative to the 57.8M presented in Section IV of the Actuarial Memorandum, and as a result the justified rate increase would rise as well.
- The original pricing interest rate is used in Gap Analysis. This implies that no portion of the justified rate increase is attributable to changes in the interest rate environment.

14. Provide the following pertaining to the policy 440 and the associated inflation guard rider (IGR):

- a. In which states has the company requested rate increases on this block?*
- b. How do the rate changes requested in Virginia compare with those requested in other states?*
- c. What is the current status of the rate request in all applicable states for this block?*

Please see the attached **Exhibit 13** which contains a summary of the status of this rate increase filing in each state.

15. Please identify the amount of Active Life reserves related to these policies.

As demonstrated in Section IV.B of the Actuarial memorandum, the Active Life Reserve held for premium-paying policies in force as of 12/31/2016 was 77.6M.

16. For the next 10 years, provide the projected loss ratio using the following formula:

$$\frac{[(\text{Paid Claims} + \text{IBNP}^* + \text{IBNR}^{**}) - \text{Active Life Reserves}]}{\text{Projected Earned Premiums}} = \text{Projected Loss Ratio}$$

(*) Incurred claims But Not Paid

(**) Incurred claims But Not Reported

The experience presented in Exhibit 3a through Exhibit 3f is provided on an incurred basis. However, our projection is not modeled using first principles. As such, we are unable to separately demonstrate paid claims and reserves in future years. Moreover, we do not have Active Life Reserves on a projected basis that are readily available to provide to the Bureau.

We respectfully ask that the Bureau use the projected incurred loss ratios demonstrated in Exhibit 3a through Exhibit 3f to satisfy this question. However, we are willing to work with the Bureau to address the underlying concern behind this question in another manner if possible.

17. Provide a comparison of the differences in the assumptions used in this filing and the previous filing (SERFF # UTAC-126236299) to explain the need for an additional rate increase.

Assumption	Prior Filing Assumption	Current Filing Assumption
Mortality	80% of the gender-distinct 1994 GAM table.	Please see the Actuarial Memorandum, Section V.B, page 4
Voluntary Lapse	The previous ultimate voluntary lapse rate was assumed to be 0.75%.	Please see the Actuarial Memorandum, Section V.C, pages 4-5
Shock lapse	The shock lapse effect of the rate increase was assumed to increase voluntary lapse rates by 1.25% at the time the rate increase became effective.	Please see the Actuarial Memorandum, Section V.G, page 5-6
Morbidity	Please see below.	Please see the Actuarial Memorandum, Section V.D, page 5
Interest Earnings	5.0%	5.0%

Description of Assumptions

Prior Filing Morbidity Rates: Attained age claim costs used in projecting future experience for the prior filing and cost of the Waiver of Premium benefit for this form was developed using married versus single, indemnity versus reimbursement, gender-specific, comprehensive and facility-only claim costs, with adjustments to reflect emerging experience.

The rate increase for these forms is not strictly based on changes from the prior filing. Please note, the 198.0% base policy rate increase requested in the prior filing was not approved in full by the Bureau, so this rate filing is in part attributable to the growth of the rate increase need



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

from the prior filing that was not approved at the time. We would like to note that the current rate increase need was developed using Gap Analysis, a method which allows us simply to break-even on a prospective basis.

18. Please provide the policyholder notification letter pursuant to 14VAC5-200-75.

Please see the attached file entitled "CGI Policyholder Notification Letter – VA", which is the planned policyholder notice of rate increase letter associated with the requested increase.

In light of this information, please consider our request for a 136.1% increase on the Base Policy Forms and Riders, along with an increase of 218.8% on the IGR percentage loads for the above referenced policy forms. Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to call me at (512) 410-0854.

Sincerely,

A handwritten signature in black ink that reads 'Stephanie Entzminger'. The signature is written in a cursive, flowing style.

Stephanie Entzminger, FSA, MAAA
Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

Exhibit 4a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Nationwide Experience Restated to Virginia Rate Level Before and After Proposed Rate Increase
As of 12/31/2016

Historical Experience				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims	Loss Ratio
1997	42,468	42,468	0	0.0%
1998	1,433,082	1,433,082	218,801	15.3%
1999	3,213,700	3,213,700	269,230	8.4%
2000	4,615,379	4,615,379	907,491	19.7%
2001	6,521,464	6,521,464	1,662,303	25.5%
2002	8,081,008	8,081,008	2,012,238	24.9%
2003	7,414,818	7,414,818	4,593,793	62.0%
2004	6,606,532	6,606,532	4,635,701	70.2%
2005	5,919,702	5,914,483	3,213,392	54.3%
2006	7,955,314	5,084,688	4,844,750	60.9%
2007	10,013,754	4,896,701	4,168,951	41.6%
2008	9,340,446	4,567,455	4,760,053	51.0%
2009	9,026,129	4,413,755	7,837,900	86.8%
2010	7,896,966	3,861,597	4,779,090	60.5%
2011	8,343,779	3,457,949	7,165,219	85.9%
2012	9,346,803	3,077,217	8,273,971	88.5%
2013	8,538,804	2,783,636	6,478,155	75.9%
2014	7,852,807	2,560,002	8,613,556	109.7%
2015	6,722,910	2,191,658	9,100,523	135.4%
2016	6,580,032	2,145,080	8,399,408	127.6%

Projected Future Experience Before Rate Increase				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims*	Loss Ratio
2017	6,337,046	2,065,867	9,404,613	148.4%
2018	5,945,903	1,938,355	10,107,705	170.0%
2019	5,562,166	1,813,257	10,800,837	194.2%
2020	5,179,858	1,688,625	11,467,126	221.4%
2021	4,794,472	1,562,990	12,090,357	252.2%
2022	4,409,631	1,437,533	12,654,807	287.0%
2023	4,032,197	1,314,490	13,145,284	326.0%
2024	3,671,126	1,196,781	13,579,290	369.9%
2025	3,325,420	1,084,082	13,933,783	419.0%
2026	2,996,083	976,718	14,206,836	474.2%
2027	2,684,557	875,161	14,371,912	535.4%
2028	2,391,672	779,681	14,383,993	601.4%
2029	2,118,028	690,474	14,277,880	674.1%
2030	1,864,146	607,709	14,051,631	753.8%
2031	1,629,251	531,133	13,758,483	844.5%
2032	1,413,042	460,649	13,346,691	944.5%
2033	1,216,487	396,573	12,815,612	1053.5%
2034	1,041,728	339,602	12,183,150	1169.5%
2035	886,181	288,894	11,457,757	1292.9%
2036	748,448	243,993	10,652,469	1423.3%
2037	627,495	204,562	9,807,371	1562.9%
2038	522,219	170,242	8,940,115	1711.9%
2039	431,386	140,631	8,074,872	1871.8%
2040	353,727	115,314	7,210,440	2038.4%
2041	287,579	93,750	6,374,975	2216.8%
2042	231,811	75,570	5,570,390	2403.0%
2043	185,405	60,442	4,810,808	2594.8%
2044	147,606	48,119	4,118,308	2790.1%
2045	116,810	38,080	3,487,472	2985.6%
2046+	346,938	113,101	13,418,234	3867.6%

Projected Future Experience After Rate Increase				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims*	Loss Ratio
2017	6,337,046	2,065,867	9,404,613	148.4%
2018	7,961,319	1,894,577	10,393,963	130.6%
2019	15,680,090	1,595,138	12,382,878	79.0%
2020	15,581,061	1,466,224	13,210,173	84.8%
2021	14,513,765	1,356,883	13,810,441	95.2%
2022	13,434,160	1,247,734	14,322,277	106.6%
2023	12,364,694	1,140,715	14,731,602	119.1%
2024	11,336,475	1,038,354	15,064,273	132.9%
2025	10,342,662	940,376	15,292,218	147.9%
2026	9,385,895	847,065	15,420,602	164.3%
2027	8,471,129	758,827	15,430,569	182.2%
2028	7,601,820	675,895	15,286,410	201.1%
2029	6,780,960	598,435	15,023,654	221.6%
2030	6,011,372	526,591	14,637,420	243.5%
2031	5,290,989	460,142	14,185,923	268.1%
2032	4,620,003	398,999	13,626,086	294.9%
2033	4,003,838	343,431	12,962,910	323.8%
2034	3,452,138	294,036	12,220,919	354.0%
2035	2,956,491	250,083	11,405,402	385.8%
2036	2,513,431	211,175	10,529,732	418.9%
2037	2,120,750	177,016	9,630,977	454.1%
2038	1,775,898	147,292	8,725,637	491.3%
2039	1,475,767	121,653	7,835,631	531.0%
2040	1,217,007	99,737	6,960,041	571.9%
2041	994,555	81,075	6,122,201	615.6%
2042	805,492	65,344	5,324,609	661.0%
2043	647,091	52,256	4,579,088	707.6%
2044	517,333	41,598	3,905,394	754.9%
2045	410,937	32,916	3,296,090	802.1%
2046+	1,228,498	97,746	12,530,145	1020.0%

Best Estimate Loss Ratio Summaries at 12/31/2016 (Discounted at 4.50%)

Accumulated Value of Historical	201,876,072	134,945,845	124,644,649	61.7%	201,876,072	134,945,845	124,644,649	61.7%
Present Value of Projected	48,394,758	15,776,612	190,123,874	392.9%	126,362,191	14,172,189	201,429,235	159.4%
Total Values	250,270,830	150,722,457	314,768,523	125.8%	328,238,264	149,118,034	326,073,884	99.3%

Dual Loss Ratio Demonstration with Best Estimate Assumptions

1 Accumulated value of initial Earned Premium	134,945,845 x 61.9% =	83,473,786
2a Accumulated value of Earned Premium	201,876,072	
2b Accumulated value of prior premium rate schedule increases (2a - 1)	66,930,228 x 80.0% =	53,544,182
3 Present value of future projected initial Earned Premium	14,172,189 x 61.9% =	8,766,526
4a Present value of future projected premium	126,362,191	
4b Present value of future projected premium in excess of the projected initial Earned Premiums (4a - 3)	112,190,002 x 80.0% =	89,752,002
5 Lifetime Earned Premium times Prescribed Factor (1 + 2b + 3 + 4b)		235,536,496
6 Lifetime Incurred Claims		326,073,884
7 Allowable Additional Earned Premium (6 - 5)	90,537,388 / 80.0% =	113,171,736

* Calendar Year projected Incurred Claims represent best estimate Incurred Claims

Exhibit 4b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Nationwide Experience Restated to Virginia Rate Level Before and After Proposed Rate Increase
As of 12/31/2016

Historical Experience				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims	Loss Ratio
1997	25,218	25,218	0	0.0%
1998	804,734	804,734	204,680	25.4%
1999	1,664,144	1,664,144	251,934	15.1%
2000	2,428,212	2,428,212	643,777	26.5%
2001	4,000,352	4,000,352	939,901	23.5%
2002	5,215,828	5,215,828	1,569,389	30.1%
2003	4,706,499	4,706,499	3,447,248	73.2%
2004	4,182,750	4,182,750	3,739,645	89.4%
2005	3,681,762	3,678,516	2,588,599	70.3%
2006	4,864,275	3,109,031	3,714,939	76.4%
2007	6,044,093	2,955,547	3,272,398	54.1%
2008	5,449,085	2,664,589	3,536,141	64.9%
2009	5,316,136	2,599,577	4,626,163	87.0%
2010	4,641,964	2,269,909	3,249,290	70.0%
2011	4,651,999	1,927,948	5,447,531	117.1%
2012	5,034,368	1,657,449	5,230,458	103.9%
2013	4,446,727	1,449,626	2,532,551	57.0%
2014	3,955,511	1,289,490	3,684,922	93.2%
2015	3,064,044	998,873	3,740,039	122.1%
2016	3,113,517	1,015,002	4,496,793	144.4%

Projected Future Experience Before Rate Increase				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims*	Loss Ratio
2017	2,961,564	965,465	4,563,009	154.1%
2018	2,724,144	888,067	4,650,908	170.7%
2019	2,495,831	813,637	4,692,380	188.0%
2020	2,271,409	740,476	4,682,385	206.1%
2021	2,052,176	669,006	4,619,240	225.1%
2022	1,840,596	600,031	4,519,814	245.6%
2023	1,638,950	534,295	4,381,345	267.3%
2024	1,449,663	472,588	4,201,759	289.8%
2025	1,273,781	415,250	3,970,176	311.7%
2026	1,111,804	362,446	3,700,898	332.9%
2027	964,007	314,265	3,423,277	355.1%
2028	830,173	270,635	3,137,191	377.9%
2029	709,870	231,416	2,850,276	401.5%
2030	602,622	196,454	2,553,786	423.8%
2031	507,705	165,511	2,262,260	445.6%
2032	424,388	138,350	1,981,312	466.9%
2033	351,897	114,718	1,721,688	489.3%
2034	289,777	94,467	1,484,369	512.2%
2035	236,924	77,237	1,268,758	535.5%
2036	192,260	62,676	1,071,884	557.5%
2037	154,852	50,481	895,225	578.1%
2038	123,812	40,362	741,504	598.9%
2039	98,297	32,045	608,355	618.9%
2040	77,518	25,271	496,630	640.7%
2041	60,713	19,792	402,031	662.2%
2042	47,232	15,398	322,591	683.0%
2043	36,502	11,900	254,676	697.7%
2044	28,146	9,176	199,390	708.4%
2045	21,645	7,056	155,101	716.6%
2046+	60,647	19,771	452,175	745.6%

Projected Future Experience After Rate Increase				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims*	Loss Ratio
2017	2,961,564	965,465	4,563,009	154.1%
2018	3,225,346	869,284	4,734,835	146.8%
2019	4,938,893	722,080	5,128,714	103.8%
2020	4,702,862	649,354	5,138,817	109.3%
2021	4,248,949	586,680	5,050,264	118.9%
2022	3,810,880	526,193	4,921,651	129.1%
2023	3,393,379	468,546	4,750,677	140.0%
2024	3,001,469	414,432	4,535,722	151.1%
2025	2,637,312	364,151	4,267,649	161.8%
2026	2,301,946	317,844	3,962,066	172.1%
2027	1,995,937	275,592	3,649,660	182.9%
2028	1,718,840	237,331	3,331,245	193.8%
2029	1,469,757	202,939	3,014,095	205.1%
2030	1,247,704	172,278	2,689,448	215.6%
2031	1,051,183	145,144	2,372,947	225.7%
2032	878,678	121,325	2,070,449	235.6%
2033	728,588	100,601	1,792,264	246.0%
2034	599,972	82,842	1,539,501	256.6%
2035	490,542	67,732	1,311,217	267.3%
2036	398,067	54,964	1,104,415	277.4%
2037	320,614	44,269	919,866	286.9%
2038	256,347	35,395	759,746	296.4%
2039	203,521	28,101	621,595	305.4%
2040	160,498	22,161	505,941	315.2%
2041	125,703	17,357	408,431	324.9%
2042	97,793	13,503	326,842	334.2%
2043	75,577	10,435	257,477	340.7%
2044	58,275	8,046	201,204	345.3%
2045	44,816	6,188	156,221	348.6%
2046+	125,567	17,338	452,857	360.7%

Best Estimate Loss Ratio Summaries at 12/31/2016 (Discounted at 4.50%)

Accumulated Value of Historical	116,688,827	79,809,456	79,937,275	68.5%	116,688,827	79,809,456	79,937,275	68.5%
Present Value of Projected	19,716,254	6,427,467	49,285,972	250.0%	35,255,096	5,845,131	52,365,223	148.5%
Total Values	136,405,081	86,236,922	129,223,247	94.7%	151,943,923	85,654,586	132,302,498	87.1%

Dual Loss Ratio Demonstration with Best Estimate Assumptions

1 Accumulated value of initial Earned Premium	79,809,456 x 61.9% =	49,367,933
2a Accumulated value of Earned Premium	116,688,827	
2b Accumulated value of prior premium rate schedule increases (2a - 1)	36,879,372 x 80.0% =	29,503,497
3 Present value of future projected initial Earned Premium	5,845,131 x 61.9% =	3,615,637
4a Present value of future projected premium	35,255,096	
4b Present value of future projected premium in excess of the projected initial Earned Premiums (4a - 3)	29,409,965 x 80.0% =	23,527,972
5 Lifetime Earned Premium times Prescribed Factor (1 + 2b + 3 + 4b)		106,015,039
6 Lifetime Incurred Claims		132,302,498
7 Allowable Additional Earned Premium (6 - 5)	26,287,459 / 80.0% =	32,859,324

* Calendar Year projected Incurred Claims represent best estimate Incurred Claims

Exhibit 4c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Nationwide Experience Restated to Virginia Rate Level Before and After Proposed Rate Increase
As of 12/31/2016

Historical Experience				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims	Loss Ratio
1997	17,250	17,250	0	0.0%
1998	628,347	628,347	14,121	2.2%
1999	1,549,556	1,549,556	17,297	1.1%
2000	2,187,167	2,187,167	263,714	12.1%
2001	2,521,112	2,521,112	722,402	28.7%
2002	2,865,180	2,865,180	442,849	15.5%
2003	2,708,319	2,708,319	1,146,544	42.3%
2004	2,423,782	2,423,782	896,056	37.0%
2005	2,237,940	2,235,967	624,794	27.9%
2006	3,091,039	1,975,657	1,129,810	36.6%
2007	3,969,661	1,941,155	896,553	22.6%
2008	3,891,362	1,902,866	1,223,911	31.5%
2009	3,709,994	1,814,178	3,211,737	86.6%
2010	3,255,002	1,591,688	1,529,800	47.0%
2011	3,691,780	1,530,000	1,717,688	46.5%
2012	4,312,435	1,419,769	3,043,513	70.6%
2013	4,092,077	1,334,010	3,945,605	96.4%
2014	3,897,296	1,270,512	4,928,634	126.5%
2015	3,658,866	1,192,784	5,360,484	146.5%
2016	3,466,514	1,130,078	3,902,615	112.6%

Projected Future Experience Before Rate Increase				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims*	Loss Ratio
2017	3,375,482	1,100,402	4,841,604	143.4%
2018	3,221,758	1,050,288	5,456,798	169.4%
2019	3,066,335	999,620	6,108,456	199.2%
2020	2,908,449	948,150	6,784,741	233.3%
2021	2,742,296	893,984	7,471,117	272.4%
2022	2,569,035	837,501	8,134,993	316.7%
2023	2,393,248	780,195	8,763,939	366.2%
2024	2,221,462	724,193	9,377,531	422.1%
2025	2,051,640	668,831	9,963,607	485.6%
2026	1,884,279	614,272	10,505,939	557.6%
2027	1,720,550	560,897	10,948,635	636.3%
2028	1,561,498	509,046	11,246,802	720.3%
2029	1,408,158	459,057	11,427,604	811.5%
2030	1,261,524	411,255	11,497,845	911.4%
2031	1,121,547	365,622	11,496,223	1025.0%
2032	988,654	322,300	11,365,379	1149.6%
2033	864,590	281,855	11,093,924	1283.1%
2034	751,951	245,135	10,698,780	1422.8%
2035	649,257	211,657	10,188,999	1569.3%
2036	556,188	181,316	9,580,585	1722.5%
2037	472,643	154,081	8,912,146	1885.6%
2038	398,407	129,880	8,198,611	2057.8%
2039	333,089	108,586	7,466,517	2241.6%
2040	276,209	90,044	6,713,810	2430.7%
2041	226,866	73,958	5,972,943	2632.8%
2042	184,578	60,172	5,247,799	2843.1%
2043	148,902	48,542	4,556,132	3059.8%
2044	119,460	38,944	3,918,918	3280.5%
2045	95,165	31,024	3,332,371	3501.7%
2046+	286,291	93,330	12,966,059	4529.0%

Projected Future Experience After Rate Increase				
Year	Restated Earned Premium	Original- Level Premium	Incurred Claims*	Loss Ratio
2017	3,375,482	1,100,402	4,841,604	143.4%
2018	4,735,973	1,025,294	5,659,128	119.5%
2019	10,741,197	873,058	7,254,164	67.5%
2020	10,878,199	816,870	8,071,356	74.2%
2021	10,264,816	770,204	8,760,177	85.3%
2022	9,623,280	721,542	9,400,625	97.7%
2023	8,971,315	672,170	9,980,924	111.3%
2024	8,335,006	623,922	10,528,551	126.3%
2025	7,705,350	576,225	11,024,569	143.1%
2026	7,083,949	529,220	11,458,536	161.8%
2027	6,475,192	483,235	11,780,909	181.9%
2028	5,882,980	438,564	11,955,166	203.2%
2029	5,311,203	395,497	12,009,558	226.1%
2030	4,763,668	354,313	11,947,972	250.8%
2031	4,239,807	314,999	11,812,976	278.6%
2032	3,741,325	277,674	11,555,637	308.9%
2033	3,275,250	242,830	11,170,647	341.1%
2034	2,852,166	211,194	10,681,418	374.5%
2035	2,465,949	182,351	10,094,185	409.3%
2036	2,115,365	156,211	9,425,318	445.6%
2037	1,800,135	132,747	8,711,111	483.9%
2038	1,519,551	111,897	7,965,891	524.2%
2039	1,272,246	93,552	7,214,036	567.0%
2040	1,056,510	77,576	6,454,100	610.9%
2041	868,852	63,718	5,713,770	657.6%
2042	707,699	51,841	4,997,767	706.2%
2043	571,514	41,821	4,321,611	756.2%
2044	459,058	33,552	3,704,190	806.9%
2045	366,121	26,728	3,139,868	857.6%
2046+	1,102,932	80,408	12,077,288	1095.0%

Best Estimate Loss Ratio Summaries at 12/31/2016 (Discounted at 4.50%)

Accumulated Value of Historical	85,187,245	55,136,389	44,707,374	52.5%	85,187,245	55,136,389	44,707,374	52.5%
Present Value of Projected	28,678,504	9,349,146	140,837,902	491.1%	91,107,096	8,327,058	149,064,012	163.6%
Total Values	113,865,749	64,485,535	185,545,276	163.0%	176,294,341	63,463,448	193,771,386	109.9%

Dual Loss Ratio Demonstration with Best Estimate Assumptions

1 Accumulated value of initial Earned Premium	55,136,389 x 61.9% =	34,105,853
2a Accumulated value of Earned Premium	85,187,245	
2b Accumulated value of prior premium rate schedule increases (2a - 1)	30,050,856 x 80.0% =	24,040,685
3 Present value of future projected initial Earned Premium	8,327,058 x 61.9% =	5,150,889
4a Present value of future projected premium	91,107,096	
4b Present value of future projected premium in excess of the projected initial Earned Premiums (4a - 3)	82,780,037 x 80.0% =	66,224,030
5 Lifetime Earned Premium times Prescribed Factor (1 + 2b + 3 + 4b)		129,521,457
6 Lifetime Incurred Claims		193,771,386
7 Allowable Additional Earned Premium (6 - 5)	64,249,930 / 80.0% =	80,312,412

* Calendar Year projected Incurred Claims represent best estimate Incurred Claims

Exhibit 5a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	39,802	0	0.0%
1998	1,306,847	214,767	16.4%
1999	2,906,062	243,620	8.4%
2000	4,135,945	816,998	19.8%
2001	5,762,065	1,517,937	26.3%
2002	7,113,510	1,891,994	26.6%
2003	6,477,158	4,438,843	68.5%
2004	5,746,700	4,505,227	78.4%
2005	5,126,567	3,111,480	60.7%
2006	6,878,279	4,808,814	69.9%
2007	8,621,767	4,151,382	48.2%
2008	7,964,408	4,614,978	57.9%
2009	7,685,091	7,815,090	101.7%
2010	6,753,006	4,716,408	69.8%
2011	7,562,445	7,124,757	94.2%
2012	8,733,128	8,131,571	93.1%
2013	8,119,252	6,432,399	79.2%
2014	7,578,809	8,533,988	112.6%
2015	6,625,270	8,805,865	132.9%
2016	6,559,982	8,292,103	126.4%
2017	6,337,046	9,195,938	145.1%
2018	5,945,903	9,899,252	166.5%
2019	5,562,166	10,595,141	190.5%
2020	5,179,858	11,266,781	217.5%
2021	4,794,472	11,896,603	248.1%
2022	4,409,631	12,468,156	282.7%
2023	4,032,197	12,966,230	321.6%
2024	3,671,126	13,409,557	365.3%
2025	3,325,420	13,775,596	414.3%
2026	2,996,083	14,060,796	469.3%
2027	2,684,557	14,238,045	530.4%
2028	2,391,672	14,261,757	596.3%
2029	2,118,028	14,167,644	668.9%
2030	1,864,146	13,953,421	748.5%
2031	1,629,251	13,671,983	839.2%
2032	1,413,042	13,271,212	939.2%
2033	1,216,487	12,750,072	1048.1%
2034	1,041,728	12,126,567	1164.1%
2035	886,181	11,409,138	1287.4%
2036	748,448	10,610,947	1417.7%
2037	627,495	9,772,255	1557.3%
2038	522,219	8,910,534	1706.3%
2039	431,386	8,050,051	1866.1%
2040	353,727	7,189,657	2032.5%
2041	287,579	6,357,554	2210.7%
2042	231,811	5,555,784	2396.7%
2043	185,405	4,798,534	2588.1%
2044	147,606	4,108,009	2783.1%
2045	116,810	3,478,831	2978.2%
2046+	346,938	13,378,593	3856.2%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	180,213,016	122,002,292	67.7%
Projected Future	48,394,758	188,071,829	388.6%
Lifetime Anticipated	228,607,774	310,074,121	135.6%

Exhibit 5b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	23,590	0	0.0%
1998	733,637	202,058	27.5%
1999	1,517,535	228,053	15.0%
2000	2,196,069	579,535	26.4%
2001	3,556,958	864,036	24.3%
2002	4,616,818	1,466,241	31.8%
2003	4,135,924	3,322,699	80.3%
2004	3,665,593	3,632,861	99.1%
2005	3,200,422	2,493,146	77.9%
2006	4,210,131	3,680,345	87.4%
2007	5,207,218	3,259,818	62.6%
2008	4,626,342	3,446,729	74.5%
2009	4,499,491	4,615,701	102.6%
2010	3,949,019	3,227,840	81.7%
2011	4,187,107	5,415,541	129.3%
2012	4,690,205	5,115,921	109.1%
2013	4,211,620	2,532,551	60.1%
2014	3,812,849	3,668,028	96.2%
2015	3,000,730	3,591,458	119.7%
2016	3,095,117	4,450,925	143.8%
2017	2,961,564	4,421,229	149.3%
2018	2,724,144	4,511,665	165.6%
2019	2,495,831	4,557,276	182.6%
2020	2,271,409	4,553,060	200.5%
2021	2,052,176	4,496,673	219.1%
2022	1,840,596	4,404,227	239.3%
2023	1,638,950	4,272,916	260.7%
2024	1,449,663	4,101,336	282.9%
2025	1,273,781	3,879,063	304.5%
2026	1,111,804	3,619,147	325.5%
2027	964,007	3,350,549	347.6%
2028	830,173	3,072,781	370.1%
2029	709,870	2,793,937	393.6%
2030	602,622	2,505,083	415.7%
2031	507,705	2,220,744	437.4%
2032	424,388	1,946,339	458.6%
2033	351,897	1,692,553	481.0%
2034	289,777	1,460,257	503.9%
2035	236,924	1,248,920	527.1%
2036	192,260	1,055,674	549.1%
2037	154,852	882,205	569.7%
2038	123,812	731,156	590.5%
2039	98,297	600,178	610.6%
2040	77,518	490,134	632.3%
2041	60,713	396,844	653.6%
2042	47,232	318,461	674.2%
2043	36,502	251,382	688.7%
2044	28,146	196,747	699.0%
2045	21,645	152,990	706.8%
2046+	60,647	445,161	734.0%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	103,891,678	78,180,507	75.3%
Projected Future	19,716,254	48,077,022	243.8%
Lifetime Anticipated	123,607,932	126,257,530	102.1%

Exhibit 5c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	16,212	0	0.0%
1998	573,210	12,709	2.2%
1999	1,388,527	15,567	1.1%
2000	1,939,877	237,464	12.2%
2001	2,205,107	653,901	29.7%
2002	2,496,692	425,753	17.1%
2003	2,341,233	1,116,144	47.7%
2004	2,081,107	872,365	41.9%
2005	1,926,146	618,333	32.1%
2006	2,668,148	1,128,469	42.3%
2007	3,414,549	891,564	26.1%
2008	3,338,066	1,168,249	35.0%
2009	3,185,600	3,199,389	100.4%
2010	2,803,987	1,488,568	53.1%
2011	3,375,338	1,709,216	50.6%
2012	4,042,923	3,015,650	74.6%
2013	3,907,631	3,899,848	99.8%
2014	3,765,960	4,865,959	129.2%
2015	3,624,541	5,214,407	143.9%
2016	3,464,865	3,841,178	110.9%
2017	3,375,482	4,774,710	141.5%
2018	3,221,758	5,387,587	167.2%
2019	3,066,335	6,037,865	196.9%
2020	2,908,449	6,713,721	230.8%
2021	2,742,296	7,399,930	269.8%
2022	2,569,035	8,063,929	313.9%
2023	2,393,248	8,693,314	363.2%
2024	2,221,462	9,308,221	419.0%
2025	2,051,640	9,896,533	482.4%
2026	1,884,279	10,441,649	554.1%
2027	1,720,550	10,887,496	632.8%
2028	1,561,498	11,188,976	716.6%
2029	1,408,158	11,373,707	807.7%
2030	1,261,524	11,448,338	907.5%
2031	1,121,547	11,451,240	1021.0%
2032	988,654	11,324,873	1145.5%
2033	864,590	11,057,519	1278.9%
2034	751,951	10,666,310	1418.5%
2035	649,257	10,160,218	1564.9%
2036	556,188	9,555,273	1718.0%
2037	472,643	8,890,050	1880.9%
2038	398,407	8,179,379	2053.0%
2039	333,089	7,449,873	2236.6%
2040	276,209	6,699,523	2425.5%
2041	226,866	5,960,710	2627.4%
2042	184,578	5,237,323	2837.5%
2043	148,902	4,547,152	3053.8%
2044	119,460	3,911,262	3274.1%
2045	95,165	3,325,841	3494.8%
2046+	286,291	12,933,432	4517.6%

Present Values at 4.50%

	Restated Earned Premium	Incurred Claims	Loss Ratio
Nationwide Historical	76,321,337	43,821,785	57.4%
Projected Future	28,678,504	139,994,806	488.2%
Lifetime Anticipated	104,999,842	183,816,591	175.1%

Exhibit 6a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History and Proposed Increase
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	39,802	0	0.0%
1998	1,306,847	214,767	16.4%
1999	2,906,062	243,620	8.4%
2000	4,135,945	816,998	19.8%
2001	5,762,065	1,517,937	26.3%
2002	7,113,510	1,891,994	26.6%
2003	6,477,158	4,438,843	68.5%
2004	5,746,700	4,505,227	78.4%
2005	5,126,567	3,111,480	60.7%
2006	6,878,279	4,808,814	69.9%
2007	8,621,767	4,151,382	48.2%
2008	7,964,408	4,614,978	57.9%
2009	7,685,091	7,815,090	101.7%
2010	6,753,006	4,716,408	69.8%
2011	7,562,445	7,124,757	94.2%
2012	8,733,128	8,131,571	93.1%
2013	8,119,252	6,432,399	79.2%
2014	7,578,809	8,533,988	112.6%
2015	6,625,270	8,805,865	132.9%
2016	6,559,982	8,292,103	126.4%
2017	6,337,046	9,195,938	145.1%
2018	7,961,319	9,701,606	121.9%
2019	15,680,090	9,452,855	60.3%
2020	15,581,061	9,935,840	63.8%
2021	14,513,765	10,492,371	72.3%
2022	13,434,160	10,998,144	81.9%
2023	12,364,694	11,439,681	92.5%
2024	11,336,475	11,833,264	104.4%
2025	10,342,662	12,158,833	117.6%
2026	9,385,895	12,413,343	132.3%
2027	8,471,129	12,573,266	148.4%
2028	7,601,820	12,598,231	165.7%
2029	6,780,960	12,518,194	184.6%
2030	6,011,372	12,325,669	205.0%
2031	5,290,989	12,074,029	228.2%
2032	4,620,003	11,717,407	253.6%
2033	4,003,838	11,255,038	281.1%
2034	3,452,138	10,702,757	310.0%
2035	2,956,491	10,067,998	340.5%
2036	2,513,431	9,362,302	372.5%
2037	2,120,750	8,621,172	406.5%
2038	1,775,898	7,860,046	442.6%
2039	1,475,767	7,100,266	481.1%
2040	1,217,007	6,340,834	521.0%
2041	994,555	5,606,543	563.7%
2042	805,492	4,899,156	608.2%
2043	647,091	4,231,118	653.9%
2044	517,333	3,622,020	700.1%
2045	410,937	3,067,110	746.4%
2046+	1,228,498	11,793,669	960.0%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	180,213,016	122,002,292	67.7%
Projected Future	126,362,191	168,034,152	133.0%
Lifetime Anticipated	306,575,207	290,036,444	94.6%

Exhibit 6b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History and Proposed Increase
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	23,590	0	0.0%
1998	733,637	202,058	27.5%
1999	1,517,535	228,053	15.0%
2000	2,196,069	579,535	26.4%
2001	3,556,958	864,036	24.3%
2002	4,616,818	1,466,241	31.8%
2003	4,135,924	3,322,699	80.3%
2004	3,665,593	3,632,861	99.1%
2005	3,200,422	2,493,146	77.9%
2006	4,210,131	3,680,345	87.4%
2007	5,207,218	3,259,818	62.6%
2008	4,626,342	3,446,729	74.5%
2009	4,499,491	4,615,701	102.6%
2010	3,949,019	3,227,840	81.7%
2011	4,187,107	5,415,541	129.3%
2012	4,690,205	5,115,921	109.1%
2013	4,211,620	2,532,551	60.1%
2014	3,812,849	3,668,028	96.2%
2015	3,000,730	3,591,458	119.7%
2016	3,095,117	4,450,925	143.8%
2017	2,961,564	4,421,229	149.3%
2018	3,225,346	4,428,736	137.3%
2019	4,938,893	4,106,480	83.1%
2020	4,702,862	4,061,351	86.4%
2021	4,248,949	4,013,198	94.5%
2022	3,810,880	3,932,863	103.2%
2023	3,393,379	3,817,774	112.5%
2024	3,001,469	3,666,599	122.2%
2025	2,637,312	3,469,919	131.6%
2026	2,301,946	3,239,333	140.7%
2027	1,995,937	3,000,734	150.3%
2028	1,718,840	2,753,650	160.2%
2029	1,469,757	2,505,072	170.4%
2030	1,247,704	2,246,170	180.0%
2031	1,051,183	1,991,293	189.4%
2032	878,678	1,745,304	198.6%
2033	728,588	1,517,793	208.3%
2034	599,972	1,309,536	218.3%
2035	490,542	1,120,057	228.3%
2036	398,067	946,781	237.8%
2037	320,614	791,229	246.8%
2038	256,347	655,778	255.8%
2039	203,521	538,321	264.5%
2040	160,498	439,635	273.9%
2041	125,703	355,971	283.2%
2042	97,793	285,672	292.1%
2043	75,577	225,506	298.4%
2044	58,275	176,499	302.9%
2045	44,816	137,249	306.3%
2046+	125,567	399,396	318.1%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	103,891,678	78,180,507	75.3%
Projected Future	35,255,096	43,856,255	124.4%
Lifetime Anticipated	139,146,774	122,036,762	87.7%

Exhibit 6c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History and Proposed Increase
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	16,212	0	0.0%
1998	573,210	12,709	2.2%
1999	1,388,527	15,567	1.1%
2000	1,939,877	237,464	12.2%
2001	2,205,107	653,901	29.7%
2002	2,496,692	425,753	17.1%
2003	2,341,233	1,116,144	47.7%
2004	2,081,107	872,365	41.9%
2005	1,926,146	618,333	32.1%
2006	2,668,148	1,128,469	42.3%
2007	3,414,549	891,564	26.1%
2008	3,338,066	1,168,249	35.0%
2009	3,185,600	3,199,389	100.4%
2010	2,803,987	1,488,568	53.1%
2011	3,375,338	1,709,216	50.6%
2012	4,042,923	3,015,650	74.6%
2013	3,907,631	3,899,848	99.8%
2014	3,765,960	4,865,959	129.2%
2015	3,624,541	5,214,407	143.9%
2016	3,464,865	3,841,178	110.9%
2017	3,375,482	4,774,710	141.5%
2018	4,735,973	5,272,871	111.3%
2019	10,741,197	5,346,375	49.8%
2020	10,878,199	5,874,489	54.0%
2021	10,264,816	6,479,174	63.1%
2022	9,623,280	7,065,281	73.4%
2023	8,971,315	7,621,907	85.0%
2024	8,335,006	8,166,666	98.0%
2025	7,705,350	8,688,914	112.8%
2026	7,083,949	9,174,010	129.5%
2027	6,475,192	9,572,532	147.8%
2028	5,882,980	9,844,580	167.3%
2029	5,311,203	10,013,122	188.5%
2030	4,763,668	10,079,500	211.6%
2031	4,239,807	10,082,736	237.8%
2032	3,741,325	9,972,102	266.5%
2033	3,275,250	9,737,245	297.3%
2034	2,852,166	9,393,221	329.3%
2035	2,465,949	8,947,941	362.9%
2036	2,115,365	8,415,521	397.8%
2037	1,800,135	7,829,943	435.0%
2038	1,519,551	7,204,268	474.1%
2039	1,272,246	6,561,945	515.8%
2040	1,056,510	5,901,199	558.6%
2041	868,852	5,250,573	604.3%
2042	707,699	4,613,484	651.9%
2043	571,514	4,005,612	700.9%
2044	459,058	3,445,521	750.6%
2045	366,121	2,929,861	800.2%
2046+	1,102,932	11,394,273	1033.1%

Present Values at 4.50%

	Restated Earned Premium	Incurred Claims	Loss Ratio
Nationwide Historical	76,321,337	43,821,785	57.4%
Projected Future	91,107,096	124,177,897	136.3%
Lifetime Anticipated	167,428,433	167,999,682	100.3%

Exhibit 7a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History and Proposed Increase
Excluding Shock Lapse, Benefit Reductions, NFO Residual Liability, and Anti-Selection
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	39,802	0	0.0%
1998	1,306,847	214,767	16.4%
1999	2,906,062	243,620	8.4%
2000	4,135,945	816,998	19.8%
2001	5,762,065	1,517,937	26.3%
2002	7,113,510	1,891,994	26.6%
2003	6,477,158	4,438,843	68.5%
2004	5,746,700	4,505,227	78.4%
2005	5,126,567	3,111,480	60.7%
2006	6,878,279	4,808,814	69.9%
2007	8,621,767	4,151,382	48.2%
2008	7,964,408	4,614,978	57.9%
2009	7,685,091	7,815,090	101.7%
2010	6,753,006	4,716,408	69.8%
2011	7,562,445	7,124,757	94.2%
2012	8,733,128	8,131,571	93.1%
2013	8,119,252	6,432,399	79.2%
2014	7,578,809	8,533,988	112.6%
2015	6,625,270	8,805,865	132.9%
2016	6,559,982	8,292,103	126.4%
2017	6,337,046	9,195,938	145.1%
2018	8,429,695	9,899,252	117.4%
2019	18,027,234	10,595,141	58.8%
2020	17,989,242	11,266,781	62.6%
2021	16,759,673	11,896,603	71.0%
2022	15,515,494	12,468,156	80.4%
2023	14,282,663	12,966,230	90.8%
2024	13,097,187	13,409,557	102.4%
2025	11,951,080	13,775,596	115.3%
2026	10,847,387	14,060,796	129.6%
2027	9,791,845	14,238,045	145.4%
2028	8,788,478	14,261,757	162.3%
2029	7,840,774	14,167,644	180.7%
2030	6,952,031	13,953,421	200.7%
2031	6,119,881	13,671,983	223.4%
2032	5,344,577	13,271,212	248.3%
2033	4,632,447	12,750,072	275.2%
2034	3,994,704	12,126,567	303.6%
2035	3,421,632	11,409,138	333.4%
2036	2,909,253	10,610,947	364.7%
2037	2,455,042	9,772,255	398.0%
2038	2,056,079	8,910,534	433.4%
2039	1,708,790	8,050,051	471.1%
2040	1,409,322	7,189,657	510.2%
2041	1,151,828	6,357,554	552.0%
2042	932,950	5,555,784	595.5%
2043	749,544	4,798,534	640.2%
2044	599,287	4,108,009	685.5%
2045	476,065	3,478,831	730.7%
2046+	1,422,939	13,378,593	940.2%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	180,213,016	122,002,292	67.7%
Projected Future	144,251,644	188,071,829	130.4%
Lifetime Anticipated	324,464,659	310,074,121	95.6%

Exhibit 7b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History and Proposed Increase
Excluding Shock Lapse, Benefit Reductions, NFO Residual Liability, and Anti-Selection
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	23,590	0	0.0%
1998	733,637	202,058	27.5%
1999	1,517,535	228,053	15.0%
2000	2,196,069	579,535	26.4%
2001	3,556,958	864,036	24.3%
2002	4,616,818	1,466,241	31.8%
2003	4,135,924	3,322,699	80.3%
2004	3,665,593	3,632,861	99.1%
2005	3,200,422	2,493,146	77.9%
2006	4,210,131	3,680,345	87.4%
2007	5,207,218	3,259,818	62.6%
2008	4,626,342	3,446,729	74.5%
2009	4,499,491	4,615,701	102.6%
2010	3,949,019	3,227,840	81.7%
2011	4,187,107	5,415,541	129.3%
2012	4,690,205	5,115,921	109.1%
2013	4,211,620	2,532,551	60.1%
2014	3,812,849	3,668,028	96.2%
2015	3,000,730	3,591,458	119.7%
2016	3,095,117	4,450,925	143.8%
2017	2,961,564	4,421,229	149.3%
2018	3,361,380	4,511,665	134.2%
2019	5,601,980	4,557,276	81.4%
2020	5,362,797	4,553,060	84.9%
2021	4,845,188	4,496,673	92.8%
2022	4,345,647	4,404,227	101.3%
2023	3,869,560	4,272,916	110.4%
2024	3,422,654	4,101,336	119.8%
2025	3,007,396	3,879,063	129.0%
2026	2,624,970	3,619,147	137.9%
2027	2,276,020	3,350,549	147.2%
2028	1,960,039	3,072,781	156.8%
2029	1,676,003	2,793,937	166.7%
2030	1,422,790	2,505,083	176.1%
2031	1,198,691	2,220,744	185.3%
2032	1,001,980	1,946,339	194.2%
2033	830,829	1,692,553	203.7%
2034	684,163	1,460,257	213.4%
2035	559,378	1,248,920	223.3%
2036	453,926	1,055,674	232.6%
2037	365,605	882,205	241.3%
2038	292,319	731,156	250.1%
2039	232,080	600,178	258.6%
2040	183,020	490,134	267.8%
2041	143,343	396,844	276.9%
2042	111,516	318,461	285.6%
2043	86,182	251,382	291.7%
2044	66,453	196,747	296.1%
2045	51,104	152,990	299.4%
2046+	143,187	445,161	310.9%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	103,891,678	78,180,507	75.3%
Projected Future	39,472,586	48,077,022	121.8%
Lifetime Anticipated	143,364,264	126,257,530	88.1%

Exhibit 7c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Reflect Virginia Rate History and Proposed Increase
Excluding Shock Lapse, Benefit Reductions, NFO Residual Liability, and Anti-Selection
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	16,212	0	0.0%
1998	573,210	12,709	2.2%
1999	1,388,527	15,567	1.1%
2000	1,939,877	237,464	12.2%
2001	2,205,107	653,901	29.7%
2002	2,496,692	425,753	17.1%
2003	2,341,233	1,116,144	47.7%
2004	2,081,107	872,365	41.9%
2005	1,926,146	618,333	32.1%
2006	2,668,148	1,128,469	42.3%
2007	3,414,549	891,564	26.1%
2008	3,338,066	1,168,249	35.0%
2009	3,185,600	3,199,389	100.4%
2010	2,803,987	1,488,568	53.1%
2011	3,375,338	1,709,216	50.6%
2012	4,042,923	3,015,650	74.6%
2013	3,907,631	3,899,848	99.8%
2014	3,765,960	4,865,959	129.2%
2015	3,624,541	5,214,407	143.9%
2016	3,464,865	3,841,178	110.9%
2017	3,375,482	4,774,710	141.5%
2018	5,068,315	5,387,587	106.3%
2019	12,425,255	6,037,865	48.6%
2020	12,626,445	6,713,721	53.2%
2021	11,914,485	7,399,930	62.1%
2022	11,169,847	8,063,929	72.2%
2023	10,413,104	8,693,314	83.5%
2024	9,674,533	9,308,221	96.2%
2025	8,943,684	9,896,533	110.7%
2026	8,222,417	10,441,649	127.0%
2027	7,515,826	10,887,496	144.9%
2028	6,828,439	11,188,976	163.9%
2029	6,164,771	11,373,707	184.5%
2030	5,529,241	11,448,338	207.1%
2031	4,921,190	11,451,240	232.7%
2032	4,342,597	11,324,873	260.8%
2033	3,801,618	11,057,519	290.9%
2034	3,310,540	10,666,310	322.2%
2035	2,862,253	10,160,218	355.0%
2036	2,455,327	9,555,273	389.2%
2037	2,089,437	8,890,050	425.5%
2038	1,763,759	8,179,379	463.7%
2039	1,476,710	7,449,873	504.5%
2040	1,226,302	6,699,523	546.3%
2041	1,008,486	5,960,710	591.1%
2042	821,435	5,237,323	637.6%
2043	663,362	4,547,152	685.5%
2044	532,834	3,911,262	734.0%
2045	424,961	3,325,841	782.6%
2046+	1,279,752	12,933,432	1010.6%

Present Values at 4.50%

	Restated Earned Premium	Incurred Claims	Loss Ratio
Nationwide			
Historical	76,321,337	43,821,785	57.4%
Projected Future	104,779,058	139,994,806	133.6%
Lifetime Anticipated	181,100,395	183,816,591	101.5%

Exhibit 8a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Virginia Proposed Level Since Inception
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	386,302	0	0.0%
1998	12,931,027	214,767	1.7%
1999	29,443,582	243,620	0.8%
2000	41,685,016	816,998	2.0%
2001	55,065,892	1,517,937	2.8%
2002	66,616,850	1,891,994	2.8%
2003	61,068,052	4,438,843	7.3%
2004	54,204,753	4,505,227	8.3%
2005	48,733,428	3,111,480	6.4%
2006	42,152,396	4,808,814	11.4%
2007	40,631,171	4,151,382	10.2%
2008	38,076,968	4,614,978	12.1%
2009	36,636,906	7,815,090	21.3%
2010	32,207,459	4,716,408	14.6%
2011	31,157,847	7,124,757	22.9%
2012	28,872,268	8,131,571	28.2%
2013	26,873,074	6,432,399	23.9%
2014	25,317,796	8,533,988	33.7%
2015	22,787,697	8,805,865	38.6%
2016	22,318,765	8,292,103	37.2%
2017	21,616,203	9,195,938	42.5%
2018	20,397,089	9,899,252	48.5%
2019	19,193,732	10,595,141	55.2%
2020	17,989,242	11,266,781	62.6%
2021	16,759,673	11,896,603	71.0%
2022	15,515,494	12,468,156	80.4%
2023	14,282,663	12,966,230	90.8%
2024	13,097,187	13,409,557	102.4%
2025	11,951,080	13,775,596	115.3%
2026	10,847,387	14,060,796	129.6%
2027	9,791,845	14,238,045	145.4%
2028	8,788,478	14,261,757	162.3%
2029	7,840,774	14,167,644	180.7%
2030	6,952,031	13,953,421	200.7%
2031	6,119,881	13,671,983	223.4%
2032	5,344,577	13,271,212	248.3%
2033	4,632,447	12,750,072	275.2%
2034	3,994,704	12,126,567	303.6%
2035	3,421,632	11,409,138	333.4%
2036	2,909,253	10,610,947	364.7%
2037	2,455,042	9,772,255	398.0%
2038	2,056,079	8,910,534	433.4%
2039	1,708,790	8,050,051	471.1%
2040	1,409,322	7,189,657	510.2%
2041	1,151,828	6,357,554	552.0%
2042	932,950	5,555,784	595.5%
2043	749,544	4,798,534	640.2%
2044	599,287	4,108,009	685.5%
2045	476,065	3,478,831	730.7%
2046+	1,422,939	13,378,593	940.2%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	1,159,899,425	122,002,292	10.5%
Projected Future	171,445,912	188,071,829	109.7%
Lifetime Anticipated	1,331,345,337	310,074,121	23.3%

Exhibit 8b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Virginia Proposed Level Since Inception
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	170,849	0	0.0%
1998	5,313,269	202,058	3.8%
1999	10,990,548	228,053	2.1%
2000	15,904,736	579,535	3.6%
2001	25,760,798	864,036	3.4%
2002	33,436,689	1,466,241	4.4%
2003	29,953,884	3,322,699	11.1%
2004	26,547,573	3,632,861	13.7%
2005	23,158,193	2,493,146	10.8%
2006	19,488,715	3,680,345	18.9%
2007	18,441,364	3,259,818	17.7%
2008	16,384,190	3,446,729	21.0%
2009	15,934,947	4,615,701	29.0%
2010	13,985,451	3,227,840	23.1%
2011	12,567,541	5,415,541	43.1%
2012	11,183,236	5,115,921	45.7%
2013	9,943,636	2,532,551	25.5%
2014	9,002,137	3,668,028	40.7%
2015	7,084,723	3,591,458	50.7%
2016	7,307,571	4,450,925	60.9%
2017	6,992,252	4,421,229	63.2%
2018	6,431,705	4,511,665	70.1%
2019	5,892,657	4,557,276	77.3%
2020	5,362,797	4,553,060	84.9%
2021	4,845,188	4,496,673	92.8%
2022	4,345,647	4,404,227	101.3%
2023	3,869,560	4,272,916	110.4%
2024	3,422,654	4,101,336	119.8%
2025	3,007,396	3,879,063	129.0%
2026	2,624,970	3,619,147	137.9%
2027	2,276,020	3,350,549	147.2%
2028	1,960,039	3,072,781	156.8%
2029	1,676,003	2,793,937	166.7%
2030	1,422,790	2,505,083	176.1%
2031	1,198,691	2,220,744	185.3%
2032	1,001,980	1,946,339	194.2%
2033	830,829	1,692,553	203.7%
2034	684,163	1,460,257	213.4%
2035	559,378	1,248,920	223.3%
2036	453,926	1,055,674	232.6%
2037	365,605	882,205	241.3%
2038	292,319	731,156	250.1%
2039	232,080	600,178	258.6%
2040	183,020	490,134	267.8%
2041	143,343	396,844	276.9%
2042	111,516	318,461	285.6%
2043	86,182	251,382	291.7%
2044	66,453	196,747	296.1%
2045	51,104	152,990	299.4%
2046+	143,187	445,161	310.9%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	511,884,639	78,180,507	15.3%
Projected Future	46,550,075	48,077,022	103.3%
Lifetime Anticipated	558,434,714	126,257,530	22.6%

Exhibit 8c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Nationwide Earned Premium Adjusted to Virginia Proposed Level Since Inception
As of 12/31/2016

Year	Restated Earned Premium	Incurred Claims	Loss Ratio
1997	215,453	0	0.0%
1998	7,617,758	12,709	0.2%
1999	18,453,034	15,567	0.1%
2000	25,780,281	237,464	0.9%
2001	29,305,094	653,901	2.2%
2002	33,180,161	425,753	1.3%
2003	31,114,167	1,116,144	3.6%
2004	27,657,180	872,365	3.2%
2005	25,575,235	618,333	2.4%
2006	22,663,680	1,128,469	5.0%
2007	22,189,807	891,564	4.0%
2008	21,692,777	1,168,249	5.4%
2009	20,701,959	3,199,389	15.5%
2010	18,222,008	1,488,568	8.2%
2011	18,590,306	1,709,216	9.2%
2012	17,689,032	3,015,650	17.0%
2013	16,929,438	3,899,848	23.0%
2014	16,315,659	4,865,959	29.8%
2015	15,702,974	5,214,407	33.2%
2016	15,011,193	3,841,178	25.6%
2017	14,623,951	4,774,710	32.6%
2018	13,965,384	5,387,587	38.6%
2019	13,301,075	6,037,865	45.4%
2020	12,626,445	6,713,721	53.2%
2021	11,914,485	7,399,930	62.1%
2022	11,169,847	8,063,929	72.2%
2023	10,413,104	8,693,314	83.5%
2024	9,674,533	9,308,221	96.2%
2025	8,943,684	9,896,533	110.7%
2026	8,222,417	10,441,649	127.0%
2027	7,515,826	10,887,496	144.9%
2028	6,828,439	11,188,976	163.9%
2029	6,164,771	11,373,707	184.5%
2030	5,529,241	11,448,338	207.1%
2031	4,921,190	11,451,240	232.7%
2032	4,342,597	11,324,873	260.8%
2033	3,801,618	11,057,519	290.9%
2034	3,310,540	10,666,310	322.2%
2035	2,862,253	10,160,218	355.0%
2036	2,455,327	9,555,273	389.2%
2037	2,089,437	8,890,050	425.5%
2038	1,763,759	8,179,379	463.7%
2039	1,476,710	7,449,873	504.5%
2040	1,226,302	6,699,523	546.3%
2041	1,008,486	5,960,710	591.1%
2042	821,435	5,237,323	637.6%
2043	663,362	4,547,152	685.5%
2044	532,834	3,911,262	734.0%
2045	424,961	3,325,841	782.6%
2046+	1,279,752	12,933,432	1010.6%

Present Values at 4.50%

	Restated Earned Premium	Incurred Claims	Loss Ratio
Nationwide			
Historical	648,014,787	43,821,785	6.8%
Projected Future	124,895,836	139,994,806	112.1%
Lifetime Anticipated	772,910,623	183,816,591	23.8%

Exhibit 9a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Expected Nationwide Cash Flows Under Original Pricing Assumptions
As of 12/31/2016

Year	Original-Level Earned Premium	Expected Incurred Claims	Loss Ratio
1997	39,802	8,504	21.4%
1998	1,304,740	279,805	21.4%
1999	2,658,687	603,331	22.7%
2000	3,492,392	848,259	24.3%
2001	4,772,695	1,205,421	25.3%
2002	5,496,963	1,481,132	26.9%
2003	5,352,565	1,602,951	29.9%
2004	4,696,255	1,619,702	34.5%
2005	4,194,498	1,653,887	39.4%
2006	3,786,171	1,699,737	44.9%
2007	3,430,947	1,753,556	51.1%
2008	3,111,060	1,805,780	58.0%
2009	2,820,020	1,858,589	65.9%
2010	2,554,017	1,907,686	74.7%
2011	2,309,808	1,949,416	84.4%
2012	2,084,986	1,980,652	95.0%
2013	1,877,553	2,002,017	106.6%
2014	1,686,002	2,015,946	119.6%
2015	1,509,389	2,020,218	133.8%
2016	1,347,045	2,011,719	149.3%
2017	1,198,213	1,991,748	166.2%
2018	1,061,831	1,960,897	184.7%
2019	936,950	1,917,344	204.6%
2020	822,871	1,860,908	226.1%
2021	719,017	1,794,108	249.5%
2022	625,546	1,720,116	275.0%
2023	541,822	1,638,527	302.4%
2024	466,878	1,547,978	331.6%
2025	399,768	1,449,463	362.6%
2026	339,899	1,344,942	395.7%
2027	287,305	1,254,605	436.7%
2028	241,514	1,171,023	484.9%
2029	201,785	1,083,759	537.1%
2030	167,318	997,168	596.0%
2031	137,541	908,432	660.5%
2032	112,278	818,693	729.2%
2033	90,915	728,277	801.1%
2034	73,084	643,056	879.9%
2035	58,325	563,744	966.6%
2036	46,116	489,577	1061.6%
2037	36,200	422,140	1166.1%
2038	28,116	359,649	1279.2%
2039	21,689	304,328	1403.1%
2040	16,655	256,531	1540.2%
2041	12,666	214,130	1690.6%
2042	9,575	177,782	1856.8%
2043	7,136	145,057	2032.7%
2044	5,284	117,516	2223.9%
2045	3,923	95,723	2440.2%
2046+	7,931	238,088	3002.0%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Expected Incurred Claims	Loss Ratio
Historical	96,263,609	44,164,297	45.9%
Projected Future	6,875,001	19,635,480	285.6%
Lifetime Anticipated	103,138,610	63,799,777	61.9%

Exhibit 9b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Expected Nationwide Cash Flows Under Original Pricing Assumptions
As of 12/31/2016

Year	Original-Level Earned Premium	Expected Incurred Claims	Loss Ratio
1997	23,590	5,040	21.4%
1998	732,535	157,127	21.4%
1999	1,374,815	313,579	22.8%
2000	1,851,891	449,512	24.3%
2001	2,991,758	735,652	24.6%
2002	3,613,052	943,630	26.1%
2003	3,570,032	1,034,764	29.0%
2004	3,128,657	1,044,363	33.4%
2005	2,793,985	1,065,609	38.1%
2006	2,524,529	1,095,740	43.4%
2007	2,290,870	1,131,949	49.4%
2008	2,080,185	1,167,297	56.1%
2009	1,888,061	1,204,033	63.8%
2010	1,711,894	1,237,835	72.3%
2011	1,549,506	1,266,376	81.7%
2012	1,399,364	1,287,832	92.0%
2013	1,260,272	1,302,891	103.4%
2014	1,131,441	1,313,372	116.1%
2015	1,012,427	1,317,277	130.1%
2016	902,883	1,312,526	145.4%
2017	802,356	1,300,289	162.1%
2018	710,196	1,280,865	180.4%
2019	625,856	1,252,890	200.2%
2020	548,907	1,216,503	221.6%
2021	478,917	1,173,440	245.0%
2022	416,061	1,125,869	270.6%
2023	359,856	1,073,417	298.3%
2024	309,655	1,015,229	327.9%
2025	264,798	951,963	359.5%
2026	224,847	884,596	393.4%
2027	189,868	824,979	434.5%
2028	159,484	767,388	481.2%
2029	133,183	707,976	531.6%
2030	110,410	652,288	590.8%
2031	90,763	594,900	655.4%
2032	74,158	536,973	724.1%
2033	60,164	478,670	795.6%
2034	48,510	423,998	874.0%
2035	38,836	372,894	960.2%
2036	30,782	324,655	1054.7%
2037	24,253	281,035	1158.8%
2038	18,947	240,934	1271.6%
2039	14,739	205,677	1395.5%
2040	11,409	174,785	1532.0%
2041	8,718	146,600	1681.6%
2042	6,634	122,562	1847.5%
2043	4,998	101,201	2024.7%
2044	3,763	83,455	2218.0%
2045	2,838	69,098	2435.0%
2046+	5,870	176,350	3004.0%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Expected Incurred Claims	Loss Ratio
Historical	61,628,667	28,065,234	45.5%
Projected Future	4,581,078	12,882,698	281.2%
Lifetime Anticipated	66,209,745	40,947,932	61.8%

Exhibit 9c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Expected Nationwide Cash Flows Under Original Pricing Assumptions
As of 12/31/2016

Year	Original-Level Earned Premium	Expected Incurred Claims	Loss Ratio
1997	16,212	3,464	21.4%
1998	572,206	122,678	21.4%
1999	1,283,872	289,752	22.6%
2000	1,640,500	398,747	24.3%
2001	1,780,936	469,769	26.4%
2002	1,883,912	537,501	28.5%
2003	1,782,533	568,187	31.9%
2004	1,567,598	575,339	36.7%
2005	1,400,514	588,277	42.0%
2006	1,261,641	603,998	47.9%
2007	1,140,076	621,607	54.5%
2008	1,030,875	638,483	61.9%
2009	931,959	654,555	70.2%
2010	842,123	669,851	79.5%
2011	760,301	683,040	89.8%
2012	685,622	692,821	101.0%
2013	617,281	699,126	113.3%
2014	554,561	702,574	126.7%
2015	496,962	702,941	141.4%
2016	444,162	699,194	157.4%
2017	395,857	691,459	174.7%
2018	351,635	680,032	193.4%
2019	311,093	664,454	213.6%
2020	273,964	644,405	235.2%
2021	240,100	620,668	258.5%
2022	209,484	594,246	283.7%
2023	181,966	565,110	310.6%
2024	157,224	532,749	338.8%
2025	134,970	497,500	368.6%
2026	115,052	460,345	400.1%
2027	97,437	429,626	440.9%
2028	82,030	403,635	492.1%
2029	68,601	375,783	547.8%
2030	56,908	344,880	606.0%
2031	46,778	313,531	670.3%
2032	38,120	281,720	739.0%
2033	30,751	249,606	811.7%
2034	24,573	219,058	891.4%
2035	19,489	190,850	979.3%
2036	15,335	164,922	1075.5%
2037	11,947	141,105	1181.1%
2038	9,169	118,715	1294.8%
2039	6,950	98,650	1419.3%
2040	5,246	81,745	1558.1%
2041	3,948	67,529	1710.3%
2042	2,941	55,220	1877.6%
2043	2,138	43,856	2051.5%
2044	1,522	34,061	2238.5%
2045	1,085	26,625	2454.0%
2046+	2,060	61,738	2996.3%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Expected Incurred Claims	Loss Ratio
Historical	34,634,942	16,099,063	46.5%
Projected Future	2,293,922	6,752,782	294.4%
Lifetime Anticipated	36,928,864	22,851,845	61.9%

Exhibit 10a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Actual Nationwide Historical Experience with Projected Cash Flows Under Original Assumptions
As of 12/31/2016

Year	Original-Level		Loss Ratio
	Earned Premium	Incurred Claims	
1997	39,802	0	0.0%
1998	1,306,847	214,767	16.4%
1999	2,906,062	243,620	8.4%
2000	4,135,945	816,998	19.8%
2001	5,762,065	1,517,937	26.3%
2002	7,113,510	1,891,994	26.6%
2003	6,477,158	4,438,843	68.5%
2004	5,746,700	4,505,227	78.4%
2005	5,122,048	3,111,480	60.7%
2006	4,396,295	4,808,814	109.4%
2007	4,216,023	4,151,382	98.5%
2008	3,894,576	4,614,978	118.5%
2009	3,757,991	7,815,090	208.0%
2010	3,302,203	4,716,408	142.8%
2011	3,134,137	7,124,757	227.3%
2012	2,875,179	8,131,571	282.8%
2013	2,646,863	6,432,399	243.0%
2014	2,470,679	8,533,988	345.4%
2015	2,159,827	8,805,865	407.7%
2016	2,138,543	8,292,103	387.7%
2017	1,904,888	3,383,435	177.6%
2018	1,690,929	3,315,831	196.1%
2019	1,494,790	3,226,270	215.8%
2020	1,315,310	3,115,744	236.9%
2021	1,151,721	2,986,644	259.3%
2022	1,004,121	2,844,429	283.3%
2023	871,543	2,688,762	308.5%
2024	752,299	2,518,592	334.8%
2025	645,160	2,337,098	362.3%
2026	549,346	2,148,073	391.0%
2027	464,851	1,996,391	429.5%
2028	391,052	1,865,170	477.0%
2029	326,713	1,723,812	527.6%
2030	270,743	1,585,459	585.6%
2031	222,293	1,445,427	650.2%
2032	181,018	1,297,778	716.9%
2033	145,906	1,148,004	786.8%
2034	116,527	1,006,094	863.4%
2035	92,419	875,942	947.8%
2036	72,624	755,515	1040.3%
2037	56,552	645,492	1141.4%
2038	43,373	541,589	1248.7%
2039	32,888	449,226	1365.9%
2040	24,884	372,424	1496.6%
2041	18,691	306,629	1640.5%
2042	13,919	250,232	1797.7%
2043	10,115	197,679	1954.3%
2044	7,209	152,918	2121.1%
2045	5,186	120,042	2314.8%
2046+	9,738	271,035	2783.3%

Present Values at 4.50%

Nationwide	Restated		Loss Ratio
	Earned Premium	Incurred Claims	
Historical	119,440,051	122,002,292	102.1%
Projected Future	10,999,450	32,081,773	291.7%
Lifetime Anticipated	130,439,501	154,084,065	118.1%

Exhibit 10b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Actual Nationwide Historical Experience with Projected Cash Flows Under Original Assumptions
As of 12/31/2016

Year	Original-Level Earned Premium	Incurred Claims	Loss Ratio
1997	23,590	0	0.0%
1998	733,637	202,058	27.5%
1999	1,517,535	228,053	15.0%
2000	2,196,069	579,535	26.4%
2001	3,556,958	864,036	24.3%
2002	4,616,818	1,466,241	31.8%
2003	4,135,924	3,322,699	80.3%
2004	3,665,593	3,632,861	99.1%
2005	3,197,600	2,493,146	78.0%
2006	2,690,932	3,680,345	136.8%
2007	2,546,317	3,259,818	128.0%
2008	2,262,270	3,446,729	152.4%
2009	2,200,240	4,615,701	209.8%
2010	1,931,061	3,227,840	167.2%
2011	1,735,281	5,415,541	312.1%
2012	1,544,141	5,115,921	331.3%
2013	1,372,981	2,532,551	184.5%
2014	1,242,983	3,668,028	295.1%
2015	978,233	3,591,458	367.1%
2016	1,009,003	4,450,925	441.1%
2017	897,198	1,522,892	169.7%
2018	794,751	1,491,563	187.7%
2019	700,946	1,449,722	206.8%
2020	615,301	1,398,488	227.3%
2021	537,366	1,338,661	249.1%
2022	467,281	1,273,104	272.4%
2023	404,577	1,201,854	297.1%
2024	348,407	1,124,814	322.8%
2025	298,139	1,043,286	349.9%
2026	253,319	958,363	378.3%
2027	213,993	885,268	413.7%
2028	179,816	819,647	455.8%
2029	150,138	751,923	500.8%
2030	124,408	694,440	558.2%
2031	102,192	636,415	622.8%
2032	83,368	573,565	688.0%
2033	67,486	509,634	755.2%
2034	54,209	449,193	828.6%
2035	43,259	393,480	909.6%
2036	34,169	341,147	998.4%
2037	26,800	293,631	1095.6%
2038	20,819	249,694	1199.3%
2039	16,047	210,598	1312.4%
2040	12,338	177,425	1438.0%
2041	9,367	147,641	1576.3%
2042	7,071	122,206	1728.2%
2043	5,278	99,436	1883.8%
2044	3,902	80,025	2050.6%
2045	2,910	65,250	2242.4%
2046+	5,823	158,924	2729.2%

Present Values at 4.50%

Nationwide	Restated Earned Premium	Incurred Claims	Loss Ratio
Historical	70,679,186	78,180,507	110.6%
Projected Future	5,136,770	14,373,108	279.8%
Lifetime Anticipated	75,815,956	92,553,615	122.1%

Exhibit 10c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Actual Nationwide Historical Experience with Projected Cash Flows Under Original Assumptions
As of 12/31/2016

Year	Original-Level Earned Premium	Incurred Claims	Loss Ratio
1997	16,212	0	0.0%
1998	573,210	12,709	2.2%
1999	1,388,527	15,567	1.1%
2000	1,939,877	237,464	12.2%
2001	2,205,107	653,901	29.7%
2002	2,496,692	425,753	17.1%
2003	2,341,233	1,116,144	47.7%
2004	2,081,107	872,365	41.9%
2005	1,924,448	618,333	32.1%
2006	1,705,363	1,128,469	66.2%
2007	1,669,706	891,564	53.4%
2008	1,632,306	1,168,249	71.6%
2009	1,557,751	3,199,389	205.4%
2010	1,371,143	1,488,568	108.6%
2011	1,398,856	1,709,216	122.2%
2012	1,331,038	3,015,650	226.6%
2013	1,273,881	3,899,848	306.1%
2014	1,227,697	4,865,959	396.3%
2015	1,181,594	5,214,407	441.3%
2016	1,129,540	3,841,178	340.1%
2017	1,007,690	1,860,543	184.6%
2018	896,178	1,824,269	203.6%
2019	793,844	1,776,548	223.8%
2020	700,009	1,717,256	245.3%
2021	614,355	1,647,983	268.2%
2022	536,840	1,571,324	292.7%
2023	466,966	1,486,908	318.4%
2024	403,892	1,393,778	345.1%
2025	347,021	1,293,813	372.8%
2026	296,027	1,189,709	401.9%
2027	250,858	1,111,123	442.9%
2028	211,235	1,045,523	495.0%
2029	176,575	971,889	550.4%
2030	146,335	891,019	608.9%
2031	120,101	809,012	673.6%
2032	97,650	724,213	741.6%
2033	78,420	638,371	814.0%
2034	62,318	556,901	893.7%
2035	49,161	482,462	981.4%
2036	38,455	414,368	1077.5%
2037	29,752	351,861	1182.7%
2038	22,554	291,895	1294.2%
2039	16,841	238,627	1416.9%
2040	12,546	194,999	1554.2%
2041	9,324	158,988	1705.1%
2042	6,848	128,026	1869.6%
2043	4,837	98,243	2031.2%
2044	3,307	72,893	2204.2%
2045	2,276	54,792	2407.2%
2046+	3,915	112,111	2863.8%

Present Values at 4.50%

	Restated Earned Premium	Incurred Claims	Loss Ratio
Nationwide Historical	48,760,865	43,821,785	89.9%
Projected Future	5,862,680	17,708,666	302.1%
Lifetime Anticipated	54,623,545	61,530,450	112.6%

Exhibit 11a
Continental General Insurance Company
Nationwide
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies With and Without Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
1997	42,468	0	0	0	0.0%
1998	1,433,082	218,801	0	218,801	15.3%
1999	3,213,700	269,230	0	269,230	8.4%
2000	4,622,248	907,491	0	907,491	19.6%
2001	6,883,391	1,662,303	0	1,662,303	24.1%
2002	8,627,119	2,012,238	0	2,012,238	23.3%
2003	8,879,166	4,477,431	116,362	4,593,793	51.7%
2004	9,147,885	4,412,572	223,128	4,635,701	50.7%
2005	9,679,023	3,213,392	0	3,213,392	33.2%
2006	9,609,495	4,525,473	319,277	4,844,750	50.4%
2007	9,317,368	3,963,734	205,217	4,168,951	44.7%
2008	8,713,090	4,548,219	211,834	4,760,053	54.6%
2009	8,400,758	6,623,757	1,214,143	7,837,900	93.3%
2010	7,764,047	4,194,576	584,514	4,779,090	61.6%
2011	8,331,465	6,332,865	832,354	7,165,219	86.0%
2012	8,242,942	5,558,470	2,715,501	8,273,971	100.4%
2013	7,975,682	3,364,569	3,113,586	6,478,155	81.2%
2014	7,693,958	3,784,763	4,828,793	8,613,556	112.0%
2015	7,001,770	2,588,027	6,512,496	9,100,523	130.0%
2016	7,295,688	699,056	7,700,352	8,399,408	115.1%
Total	142,874,345	63,356,967	28,577,558	91,934,525	64.3%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
1	9,521,945	579,233	48,185	627,419	6.6%
2	9,904,219	1,375,057	0	1,375,057	13.9%
3	8,717,093	2,944,953	68,176	3,013,129	34.6%
4	8,848,532	4,132,269	256,284	4,388,553	49.6%
5	8,544,223	3,045,514	109,839	3,155,352	36.9%
6	8,918,333	4,137,302	0	4,137,302	46.4%
7	9,158,301	4,684,716	399,257	5,083,974	55.5%
8	9,102,989	4,222,494	400,426	4,622,919	50.8%
9	8,798,338	5,115,398	614,467	5,729,865	65.1%
10	8,524,399	5,239,961	445,681	5,685,642	66.7%
11	8,121,989	6,561,297	923,804	7,485,101	92.2%
12	8,169,991	5,119,510	1,561,251	6,680,761	81.8%
13	7,885,946	5,165,849	2,512,415	7,678,264	97.4%
14	7,801,383	3,719,800	1,924,258	5,644,059	72.3%
15	7,109,816	3,054,376	5,196,487	8,250,863	116.0%
16	5,666,008	2,014,729	4,613,574	6,628,303	117.0%
17	4,064,632	1,486,420	5,193,070	6,679,490	164.3%
18	2,805,081	685,144	3,236,301	3,921,445	139.8%
19	1,169,845	60,258	1,045,538	1,105,796	94.5%
20	41,285	12,686	28,544	41,230	99.9%
21	0	0	0	0	0.0%
Total	142,874,345	63,356,967	28,577,558	91,934,525	64.3%

Present Values at 5%

Nationwide	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
Historical	225,791,533	96,252,117	32,885,397	129,137,514	57.2%

Exhibit 11b
Continental General Insurance Company
Nationwide
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies Without Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
1997	25,218	0	0	0	0.0%
1998	804,734	204,680	0	204,680	25.4%
1999	1,664,144	251,934	0	251,934	15.1%
2000	2,431,592	643,777	0	643,777	26.5%
2001	4,176,083	939,901	0	939,901	22.5%
2002	5,487,191	1,569,389	0	1,569,389	28.6%
2003	5,581,210	3,330,887	116,362	3,447,248	61.8%
2004	5,746,207	3,739,645	0	3,739,645	65.1%
2005	5,941,316	2,588,599	0	2,588,599	43.6%
2006	5,768,277	3,571,945	142,995	3,714,939	64.4%
2007	5,517,120	3,067,180	205,217	3,272,398	59.3%
2008	4,976,355	3,324,307	211,834	3,536,141	71.1%
2009	4,844,196	4,208,220	417,943	4,626,163	95.5%
2010	4,484,750	2,904,095	345,195	3,249,290	72.5%
2011	4,581,720	4,615,177	832,354	5,447,531	118.9%
2012	4,418,315	4,138,139	1,092,319	5,230,458	118.4%
2013	4,142,586	1,606,848	925,703	2,532,551	61.1%
2014	3,850,144	2,073,534	1,611,388	3,684,922	95.7%
2015	3,157,100	1,523,648	2,216,391	3,740,039	118.5%
2016	3,366,267	437,113	4,059,679	4,496,793	133.6%
Total	80,964,526	44,739,018	12,177,380	56,916,398	70.3%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
1	6,074,941	565,113	48,185	613,298	10.1%
2	6,352,727	1,197,142	0	1,197,142	18.8%
3	5,409,237	2,646,320	68,176	2,714,496	50.2%
4	5,604,291	3,053,140	33,156	3,086,296	55.1%
5	5,394,864	2,170,938	109,839	2,280,777	42.3%
6	5,525,669	3,222,518	0	3,222,518	58.3%
7	5,615,732	3,797,987	399,257	4,197,244	74.7%
8	5,280,954	3,650,531	400,426	4,050,957	76.7%
9	5,023,911	3,898,454	249,941	4,148,395	82.6%
10	4,876,000	4,430,089	220,749	4,650,838	95.4%
11	4,590,475	4,578,802	556,116	5,134,919	111.9%
12	4,536,898	2,878,666	710,888	3,589,554	79.1%
13	4,269,732	2,856,158	1,297,073	4,153,231	97.3%
14	3,972,882	2,285,695	1,033,834	3,319,528	83.6%
15	3,394,031	1,676,420	2,519,222	4,195,642	123.6%
16	2,417,923	883,829	1,836,661	2,720,490	112.5%
17	1,391,953	637,382	1,335,267	1,972,649	141.7%
18	850,589	293,257	980,031	1,273,288	149.7%
19	363,943	12,397	354,429	366,827	100.8%
20	17,775	4,181	24,131	28,312	159.3%
21	0	0	0	0	0.0%
Total	80,964,526	44,739,018	12,177,380	56,916,398	70.3%

Present Values at 5%

Nationwide	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
Historical	129,876,825	69,028,835	14,099,249	83,128,083	64.0%

Exhibit 11c
Continental General Insurance Company
Nationwide
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies With Active Inflation Guard Rider

Historical Experience by Loss Year
As of 12/31/2016

Year	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
1997	17,250	0	0	0	0.0%
1998	628,347	14,121	0	14,121	2.2%
1999	1,549,556	17,297	0	17,297	1.1%
2000	2,190,657	263,714	0	263,714	12.0%
2001	2,707,308	722,402	0	722,402	26.7%
2002	3,139,928	442,849	0	442,849	14.1%
2003	3,297,957	1,146,544	0	1,146,544	34.8%
2004	3,401,677	672,928	223,128	896,056	26.3%
2005	3,737,707	624,794	0	624,794	16.7%
2006	3,841,218	953,528	176,282	1,129,810	29.4%
2007	3,800,247	896,553	0	896,553	23.6%
2008	3,736,736	1,223,911	0	1,223,911	32.8%
2009	3,556,562	2,415,537	796,200	3,211,737	90.3%
2010	3,279,297	1,290,481	239,319	1,529,800	46.7%
2011	3,749,745	1,717,688	0	1,717,688	45.8%
2012	3,824,627	1,420,331	1,623,182	3,043,513	79.6%
2013	3,833,095	1,757,721	2,187,884	3,945,605	102.9%
2014	3,843,813	1,711,229	3,217,405	4,928,634	128.2%
2015	3,844,671	1,064,379	4,296,105	5,360,484	139.4%
2016	3,929,420	261,942	3,640,673	3,902,615	99.3%
Total	61,909,819	18,617,949	16,400,178	35,018,127	56.6%

Historical Experience by Duration
As of 12/31/2016

Duration	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
1	3,447,003	14,121	0	14,121	0.4%
2	3,551,492	177,916	0	177,916	5.0%
3	3,307,855	298,633	0	298,633	9.0%
4	3,244,241	1,079,129	223,128	1,302,257	40.1%
5	3,149,359	874,576	0	874,576	27.8%
6	3,392,664	914,784	0	914,784	27.0%
7	3,542,569	886,729	0	886,729	25.0%
8	3,822,035	571,963	0	571,963	15.0%
9	3,774,427	1,216,944	364,526	1,581,471	41.9%
10	3,648,399	809,872	224,933	1,034,804	28.4%
11	3,531,514	1,982,495	367,687	2,350,182	66.5%
12	3,633,092	2,240,844	850,363	3,091,207	85.1%
13	3,616,214	2,309,691	1,215,343	3,525,034	97.5%
14	3,828,502	1,434,106	890,424	2,324,530	60.7%
15	3,715,785	1,377,956	2,677,265	4,055,221	109.1%
16	3,248,085	1,130,900	2,776,914	3,907,814	120.3%
17	2,672,679	849,037	3,857,803	4,706,841	176.1%
18	1,954,491	391,887	2,256,271	2,648,158	135.5%
19	805,902	47,861	691,108	738,969	91.7%
20	23,509	8,505	4,413	12,918	54.9%
21	0	0	0	0	0.0%
Total	61,909,819	18,617,949	16,400,178	35,018,127	56.6%

Present Values at 5%

	Earned Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio
Nationwide					
Historical	95,914,708	27,223,282	18,786,149	46,009,431	48.0%

Continental General Insurance Company
Exhibit 12
Nationwide
Rate Increase History by State for Base and Non-ROP Riders

Policy Forms: 440

State	Approved Inc. %	Effective Date	Approved Inc. %	Effective Date	Approved Inc. %	Effective Date	Approved Inc. %	Effective Date	Approved Inc. %	Effective Date	Approved Inc. %	Effective Date	Approved Inc. %	Effective Date	Approved Base Inc. %	Approved IGR Inc. %	Effective Date	Approved Base Inc. %	Approved IGR Inc. %	Effective Date	Approved Base Inc. %	Approved IGR Inc. %	Effective Date	Approved Base Inc. %	Approved IGR Inc. %	Effective Date
AK																										
AL	20.0%	5/1/00	20.8%	11/1/03	20.0%	11/15/04					20.0%	7/1/10	50.0%	9/1/11	18.3%	50.0%	12/19/12									
AR	20.0%	5/1/00					70.4%	12/18/05			15.0%	8/16/10														
AZ			45.0%	1/1/03			15.0%	1/29/05			15.0%	10/1/10	40.0%	10/1/11												
CA																										
CO							50.0%	3/17/05			50.0%	7/1/10			25.0%	50.0%	4/4/14									
GA			15.0%	8/1/03			20.0%	2/4/05			15.0%	8/1/10	15.0%	8/1/11	15.0%		12/15/12	12.0%	12.0%	1/9/2015						
HI	20.0%	5/1/00	20.8%	12/2/02			20.0%	5/18/06			0.0% ¹	7/1/10	50.0%	4/28/12												
IA			20.0%	1/1/03	20.8%	1/27/04	36.0%	3/22/05			25.0%	7/1/10	3.6%	8/9/11	22.0%		4/23/13	17.5%		7/8/2015						
ID	20.0%	5/1/00	20.8%	6/1/03	20.0%	11/18/04					20.0%	4/28/11	15.0%	4/28/12												
IL	20.0%	8/1/00	20.8%	3/1/03	41.0%	9/19/04					50.0%	7/1/10	50.0%	10/25/11			25.0% ⁸	7/11/2017	50.0% ⁸	7/11/2018						
IN					35.0%	11/3/04					32.9%	7/1/10														
KS			25.0%	3/1/03	25.0%	11/25/04					25.0%	7/1/10	15.0%	2/20/12	10.0%	10.0%	4/25/13	15.0%		6/18/2015						
KY	15.0%	11/1/00	26.1%	12/2/02			20.0%	1/5/05			11.5% ⁴	7/6/10	19.4% ⁵	9/1/12				13.6% ⁶		4/5/2016						
LA	20.0%	5/1/00	20.8%	12/7/02	41.0%	6/27/04					50.0%	7/1/10														
MA			20.0%	12/7/02	20.8%	1/27/04																				
MI			25.0%	12/2/02	16.0%	1/17/04	41.0%	1/17/05			50.0%	7/1/10	43.0%	7/1/11		50.0%	9/1/13	25.0%	47.9%	1/14/2015						
MN	20.0%	3/1/01	20.8%	3/1/03			41.0%	3/19/05			25.0%	7/22/10														
MO	20.0%	5/1/00	20.8%	7/15/03			25.0%	4/17/05			35.0%	7/1/10	20.0%	12/27/12				20.0%		1/5/2015						
MS	20.0%	5/1/00	20.8%	12/2/02	25.0%	11/22/04					25.0%	7/1/10	25.0%	7/1/11	25.0%		1/14/13	25.0%		1/5/2015						
MT	20.0%	5/1/00	45.0%	7/1/03			25.0%	4/17/05			50.0%	7/1/10	50.0%	7/1/11		25.0%	9/1/13	10.0%		1/12/2015						
NC			36.9%	4/1/03			24.5%	1/16/05			40.0%	7/1/10	23.7%	10/12/11												
NE	20.0%	3/1/00	20.8%	12/2/02	25.0%	9/17/04					25.0%	7/1/10	20.0%	11/14/11	11.8%	22.4%	6/19/13	25.0%		6/1/2015						
NM	20.0%	8/1/00	20.8%	1/1/03			41.0%	12/3/05			22.5%	7/24/10	22.5%	7/24/11	10.0%		12/16/12	15.0%		1/16/2015						
NV					70.0%	8/7/05					25.0%	4/26/14						25.0%		12/26/2015	25.0%	12/26/2016		20.0%	12/26/2017	
OH	20.0%	6/1/00	20.8%	12/2/02	25.0%	10/18/04					50.0%	7/1/10	20.0%	2/1/12	12.0%	13.0%	11/1/13	16.4%	13.9%	7/18/2016						
OK			15.0%	12/22/02	15.0%	2/6/04	9.6%	2/6/05	14.0%	6/27/06	10.0% ²	2/15/11			25.0%	50.0%	4/5/14	25.0%		4/1/2015						
OR			45.0%	2/1/03			10.0%	3/31/05																		
PA			45.0%	12/7/02	41.0%	11/2/04					15.0% ⁷	7/1/10	15.0% ⁷	9/13/11	15.0% ⁷		12/12/12	20.0% ⁷		5/9/2015						
SC			45.0%	1/1/03	41.0%	11/11/04					20.0%	10/15/10	20.0%	5/15/12	20.0%		5/15/14	20.0%		7/28/2015						
SD	20.0%	5/1/00	20.8%	1/1/03	41.0%	9/19/04					50.0%	7/1/10	18.0%	7/1/11	9.4%	50.0%	6/1/13	25.0%	50.0%	1/17/2015						
TN	20.0%	2/1/01	20.8%	12/2/02			25.0%	8/4/05			25.0%	7/23/10	25.0%	8/15/11	25.0%	50.0%	9/15/13	25.0%	25.0%	2/9/2015	20.0%	2/9/2016				
TX	20.0%	5/1/00					35.0%	1/1/05			24.0%	7/1/10	17.0%	7/13/12				25.0%	36.0%	1/13/2015						
UT							20.0%	1/22/05			50.0%	11/1/10	30.0%	11/1/11	25.0%	50.0%	4/28/13									
VA							104.5%	12/17/05																		
WI	20.0%	1/1/01	20.8%	1/5/03	41.0%	10/12/04					25.0% ³	7/1/10	25.0% ³	7/1/11				25.0% ³	50.0% ³	6/15/2015						
WV			20.4%	3/1/03			35.0%	6/2/05			35.0%	9/1/10	50.0%	12/1/12				7.7%	14.5%	7/28/2015	7.7%	14.5%	7/28/2016	7.7%	14.5%	7/28/2017
WY	20.0%	5/1/00	20.8%	12/2/02	41.0%	9/5/04					50.0%	10/19/10	50.0%	10/19/11		50.0%	8/19/13	25.0%		1/19/2015						

¹ HI approved a rate increase which varied by issue age and ranged from 0% to 23%. The average increase in HI was 0.0%.

² OK approved a 10.0% rate increase for policyholders under the age of 75.

³ WI regulations cap the increase to 10.0% for certain policyholders. The approved rate increase is shown.

⁴ KY approved a rate increase which varied by issue age and ranged from 10% to 50%. The average increase in KY was 11.5%.

⁵ KY approved a rate increase which varied by policy benefits and ranged from 10% to 50%. The average increase in KY was 19.4%

⁶ KY approved a rate increase which varied by issue age and ranged from 0% to 25%. The average increase in KY was 13.6%

⁷ PA approved a rate increase for non rate stability policyholders only.

⁸ IL approved a rate increase for non rate stability policyholders only.

Exhibit 13
Continental General Insurance Company
Policy Forms: 440 Series et al.
Filing Status Summary
As of 7/5/2018

State	Premium Paying Lives ¹	Base Proposed	Inflation Guard Rider Proposed	Filing Date	Filing Status	Approval Date	Base Approved	Inflation Guard Rider Approved
AL	34	92.0%	112.5%	11/20/2017	Pending Approval		0.0%	0.0%
AZ	4	169.8%	218.8%		To Be Filed		0.0%	0.0%
AR	16	239.9%	218.8%	4/13/2018	Pending Approval		0.0%	0.0%
CO	50	151.3%	112.5%		To Be Filed		0.0%	0.0%
GA	37	213.9%	184.7%	1/12/2018	Approved	2/21/2018	12.0%	12.0%
ID	2	202.1%	0.0%	12/1/2017	Pending Approval		0.0%	0.0%
IL	114	32.1%	112.5%		To Be Filed		0.0%	0.0%
IN	35	317.3%	218.8%		To Be Filed		0.0%	0.0%
IA ³	357	100.9%	218.8%	1/12/2018	Approved	5/7/2018	30.0%	0.0%
KS	83	154.9%	189.8%	1/24/2018	Pending Approval		0.0%	0.0%
KY	95	181.4%	218.8%		To Be Filed		0.0%	0.0%
LA ²	18	0.0%	0.0%	1/0/1900	Not Filed	N/A	N/A	N/A
MI	18	38.6%	43.7%	11/20/2017	Approved	1/31/2018	38.6%	43.7%
MN	522	183.4%	218.8%	12/12/2017	Approved	4/24/2018	15.0%	0.0%
MS ²	65	25.0%	0.0%	12/1/2017	Pending Approval		0.0%	0.0%
MO	67	131.7%	218.8%	3/16/2018	Approved	4/11/2018	44.0%	125.0%
MT	13	71.3%	155.0%		To Be Filed		0.0%	0.0%
NE	181	90.0%	160.5%	1/24/2018	Pending Approval		0.0%	0.0%
NV	5	176.2%	112.5%		To Be Filed		0.0%	0.0%
NM	3	86.8%	0.0%		To Be Filed		0.0%	0.0%
NC ²	57	56.3%	0.0%	12/28/2017	Pending Approval		0.0%	0.0%
OH ²	84	15.0%	0.0%	11/20/2017	Approved	2/23/2018	15.0%	0.0%
OK	43	160.0%	112.5%	1/12/2018	Approved	5/18/2018	10.0%	0.0%
PA	45	95.6%	218.8%	1/23/2018	Approved	5/23/2018	7.2%	0.0%
SC	23	79.2%	218.8%	11/22/2017	Approved	1/18/2018	20.0%	0.0%
SD	23	53.5%	41.7%	11/20/2017	Approved	1/17/2018	53.5%	41.7%
TN ⁴	124	70.7%	41.7%	11/20/2017	Approved	5/16/2018	46.0%	0.0%
TX	31	146.5%	134.4%	2/12/2018	Pending Approval		0.0%	0.0%
UT	1	147.6%	112.5%		To Be Filed		0.0%	0.0%
VA	18	136.1%	218.8%	3/12/2018	Pending Approval		0.0%	0.0%
WV	17	81.4%	112.4%		To Be Filed		0.0%	0.0%
WI	163	138.7%	143.9%	11/20/2017	Approved	3/22/2018	31.4%	0.0%
WY	6	32.1%	53.5%	11/20/2017	Approved	1/17/2018	32.1%	53.5%

¹ Premium Paying Lives are as of 12/31/16.

² The requested rate increase is limited by state policies and/or regulations.

³ IA approved a 2-phase base increase with 17.9% implemented in the first year and 10.26% implemented in the second year.

⁴ TN approved a 2-phase base increase that varies by inflation status. The average increase in TN is 46.0%.

Exhibit 14a
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Historical and Projected Nationwide Experience With 1.3% Ultimate Lapse Rate
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	42,468	0	0.0%
1998	1,433,082	218,801	15.3%
1999	3,213,700	269,230	8.4%
2000	4,622,248	907,491	19.6%
2001	6,883,391	1,662,303	24.1%
2002	8,627,119	2,012,238	23.3%
2003	8,879,166	4,593,793	51.7%
2004	9,147,885	4,635,701	50.7%
2005	9,679,023	3,213,392	33.2%
2006	9,609,495	4,844,750	50.4%
2007	9,317,368	4,168,951	44.7%
2008	8,713,090	4,760,053	54.6%
2009	8,400,758	7,837,900	93.3%
2010	7,764,047	4,779,090	61.6%
2011	8,331,465	7,165,219	86.0%
2012	8,242,942	8,273,971	100.4%
2013	7,975,682	6,478,155	81.2%
2014	7,693,958	8,613,556	112.0%
2015	7,001,770	9,100,523	130.0%
2016	7,295,688	8,399,408	115.1%
2017	7,218,602	9,372,699	129.8%
2018	6,851,425	10,014,900	146.2%
2019	6,407,096	10,635,689	166.0%
2020	5,933,620	11,217,147	189.0%
2021	5,459,681	11,743,876	215.1%
2022	4,989,837	12,201,368	244.5%
2023	4,532,630	12,576,495	277.5%
2024	4,099,485	12,886,120	314.3%
2025	3,688,245	13,109,703	355.4%
2026	3,299,678	13,248,532	401.5%
2027	2,935,216	13,282,733	452.5%
2028	2,595,523	13,173,260	507.5%
2029	2,280,962	12,954,337	567.9%
2030	1,991,794	12,627,524	634.0%
2031	1,726,619	12,243,297	709.1%
2032	1,484,690	11,760,200	792.1%
2033	1,266,905	11,180,758	882.5%
2034	1,075,587	10,523,899	978.4%
2035	907,127	9,799,719	1080.3%
2036	759,500	9,020,313	1187.7%
2037	631,206	8,220,638	1302.4%
2038	520,704	7,416,058	1424.2%
2039	426,353	6,627,903	1554.6%
2040	346,520	5,856,867	1690.2%
2041	279,163	5,124,027	1835.5%
2042	222,919	4,430,230	1987.4%
2043	176,586	3,784,141	2143.0%
2044	139,306	3,203,074	2299.3%
2045	109,246	2,681,744	2454.8%
2046+	309,193	9,654,198	3122.4%

Present Values at 5%

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	225,791,533	129,137,514	57.2%
Projected Future	52,685,282	166,068,125	315.2%
Lifetime Anticipated	278,476,815	295,205,639	106.0%

Exhibit 14b
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Historical and Projected Nationwide Experience With 1.3% Ultimate Lapse Rate
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	25,218	0	0.0%
1998	804,734	204,680	25.4%
1999	1,664,144	251,934	15.1%
2000	2,431,592	643,777	26.5%
2001	4,176,083	939,901	22.5%
2002	5,487,191	1,569,389	28.6%
2003	5,581,210	3,447,248	61.8%
2004	5,746,207	3,739,645	65.1%
2005	5,941,316	2,588,599	43.6%
2006	5,768,277	3,714,939	64.4%
2007	5,517,120	3,272,398	59.3%
2008	4,976,355	3,536,141	71.1%
2009	4,844,196	4,626,163	95.5%
2010	4,484,750	3,249,290	72.5%
2011	4,581,720	5,447,531	118.9%
2012	4,418,315	5,230,458	118.4%
2013	4,142,586	2,532,551	61.1%
2014	3,850,144	3,684,922	95.7%
2015	3,157,100	3,740,039	118.5%
2016	3,366,267	4,496,793	133.6%
2017	3,302,390	4,548,237	137.7%
2018	3,081,848	4,618,925	149.9%
2019	2,821,580	4,643,033	164.6%
2020	2,560,156	4,615,018	180.3%
2021	2,305,460	4,533,919	196.7%
2022	2,060,671	4,416,771	214.3%
2023	1,828,329	4,261,982	233.1%
2024	1,611,149	4,068,334	252.5%
2025	1,410,233	3,825,405	271.3%
2026	1,226,041	3,548,009	289.4%
2027	1,058,765	3,264,927	308.4%
2028	908,023	2,976,445	327.8%
2029	773,188	2,689,631	347.9%
2030	653,589	2,396,358	366.6%
2031	548,264	2,110,358	384.9%
2032	456,294	1,837,311	402.7%
2033	376,694	1,587,008	421.3%
2034	308,849	1,359,965	440.3%
2035	251,435	1,155,237	459.5%
2036	203,172	969,960	477.4%
2037	162,963	805,215	494.1%
2038	129,774	662,941	510.8%
2039	102,636	540,639	526.8%
2040	80,646	438,843	544.2%
2041	62,941	353,413	561.5%
2042	48,810	282,256	578.3%
2043	37,617	221,746	589.5%
2044	28,940	172,782	597.0%
2045	22,215	133,782	602.2%
2046+	61,118	379,300	620.6%

Present Values at 5%

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	129,876,825	83,128,083	64.0%
Projected Future	21,433,214	46,089,701	215.0%
Lifetime Anticipated	151,310,038	129,217,784	85.4%

Exhibit 14c
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Historical and Projected Nationwide Experience With 1.3% Ultimate Lapse Rate
As of 12/31/2016

Year	Earned Premium	Incurred Claims	Loss Ratio
1997	17,250	0	0.0%
1998	628,347	14,121	2.2%
1999	1,549,556	17,297	1.1%
2000	2,190,657	263,714	12.0%
2001	2,707,308	722,402	26.7%
2002	3,139,928	442,849	14.1%
2003	3,297,957	1,146,544	34.8%
2004	3,401,677	896,056	26.3%
2005	3,737,707	624,794	16.7%
2006	3,841,218	1,129,810	29.4%
2007	3,800,247	896,553	23.6%
2008	3,736,736	1,223,911	32.8%
2009	3,556,562	3,211,737	90.3%
2010	3,279,297	1,529,800	46.7%
2011	3,749,745	1,717,688	45.8%
2012	3,824,627	3,043,513	79.6%
2013	3,833,095	3,945,605	102.9%
2014	3,843,813	4,928,634	128.2%
2015	3,844,671	5,360,484	139.4%
2016	3,929,420	3,902,615	99.3%
2017	3,916,211	4,824,462	123.2%
2018	3,769,577	5,395,975	143.1%
2019	3,585,516	5,992,656	167.1%
2020	3,373,464	6,602,128	195.7%
2021	3,154,221	7,209,957	228.6%
2022	2,929,166	7,784,597	265.8%
2023	2,704,302	8,314,513	307.5%
2024	2,488,336	8,817,786	354.4%
2025	2,278,012	9,284,298	407.6%
2026	2,073,637	9,700,523	467.8%
2027	1,876,451	10,017,806	533.9%
2028	1,687,500	10,196,815	604.3%
2029	1,507,774	10,264,707	680.8%
2030	1,338,205	10,231,165	764.5%
2031	1,178,355	10,132,939	859.9%
2032	1,028,397	9,922,889	964.9%
2033	890,211	9,593,750	1077.7%
2034	766,737	9,163,935	1195.2%
2035	655,692	8,644,482	1318.4%
2036	556,329	8,050,353	1447.0%
2037	468,244	7,415,423	1583.7%
2038	390,929	6,753,117	1727.5%
2039	323,718	6,087,264	1880.4%
2040	265,875	5,418,024	2037.8%
2041	216,222	4,770,614	2206.3%
2042	174,109	4,147,974	2382.4%
2043	138,968	3,562,395	2563.5%
2044	110,366	3,030,292	2745.7%
2045	87,031	2,547,963	2927.6%
2046+	248,075	9,274,898	3738.7%

Present Values at 5%

Nationwide	Earned Premium	Incurred Claims	Loss Ratio
Historical	95,914,708	46,009,431	48.0%
Projected Future	31,252,069	119,978,424	383.9%
Lifetime Anticipated	127,166,777	165,987,855	130.5%

[First Name, Last Name]
[Street Address]
[City, State, Zip Code]

[Date]
RE: Policy No. [0000000]

Dear Policyholder:

At Continental General Insurance Company, we make every effort to provide quality coverage at reasonable and affordable premium rates. However, the total claims experience for this policy form is significantly in excess of expected levels.

Accordingly, it has become necessary for the Company to increase those premium rates. This adjustment is not related to your personal claims experience, but rather the claims experience for all policies on this policy form. The rate increase request was reviewed by the commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at www.scc.virginia.gov/BOI. [This adjustment is effective on your premium due date of [date].

Premium Adjustment

Current [Modal] Premium	New [Modal] Premium	Rate Increase Percentage
[\$xxx,xxx.xx]	[\$xxx,xxx.xx]	[xx]%

[Also, the Company anticipates the need to request an additional rate increase approximately one year after the current increase. This is the Company's current best estimate for future rate increase action on this policy form. However, this plan could change if future claims experience varies from current expectations.]

[Also, the Company anticipates the need to request additional rate increases with approximately one year between each future rate increase request. This is the Company's current best estimate for future rate increase action on this policy form. However, this plan could change if future claims experience varies from current expectations.]

[In addition to the current rate increase, the Company will be implementing [a/an] [xx]% rate increase approximately one year after the current increase. Also, the Company anticipates the need to request additional rate increases with approximately one year between each future rate increase request. This is the Company's current best estimate for future rate increase action on this policy form, but this plan could change if future claims experience varies from current expectations.]

[In addition to the current rate increase, the Company will be implementing [a/an] [xx]% rate increase approximately one year after the current increase. Also, the Company anticipates the need to request an additional rate increase approximately one year between each future rate increase request. This is the Company's current best estimate for future rate increase action on this policy form. However, this plan could change if future claims experience varies from current expectations.]

[The Company does not currently anticipate the need for additional rate increases. This is the Company's current best estimate for future rate increase action on this policy form. However, this plan could change if future claims experience varies from current expectations.]

We have enclosed some information for you in the form of Frequently Asked Questions. We recommend that you review this material, which we believe will address many of your questions and concerns about certain coverage considerations.

[The benefits available to you in your policy offer valuable insurance protection. To assist you in planning for this increase, enclosed you will also find some of the applicable benefit reduction options and information on a Contingent Nonforfeiture Benefit that is being offered to you at this time. If you are interested in discussing options to reduce your premium, please call our Client Services Department toll-free at [866-830-0607].]

[The benefits available to you in your policy offer valuable insurance protection. Should you decide not to keep your policy in force at the increased premium level, or at a reduced benefit level, the Company is offering a Contingent Nonforfeiture Benefit at this time. This benefit is described in the enclosed Contingent Nonforfeiture Benefit Option page. If you are interested in discussing benefit reduction options to reduce your premium, please call our Client Services Department toll-free at [866-830-0607].]

Sincerely,

[W. Travis Simpson
Vice President, Operations]

FREQUENTLY ASKED QUESTIONS

Additional Premium Increases

My premiums are being increased. Where is that allowed by my policy?

The Company has the right to adjust premiums in accordance with the terms of the policy. The face page of your policy discusses how this must be done. The premium increase has been filed with the Department of Insurance in the state where your policy was issued.

You have told me that you are going to increase my premiums. Can I expect additional increases in the future?

[Future rate increases are planned and there is a high likelihood that in the future you will receive additional premium increases. As mentioned in the cover letter, the Company anticipates the need to pursue additional rate action in the future with approximately one year between each future rate increase request. This is the Company's current best estimate for future rate increase action on this policy form. Future rate increase plans could change if future claims experience varies from current expectations. As with this increase, any future increases would continue to be based on the overall experience of your class of insureds and filed with your state insurance department for approval, if required. You will be notified in advance of such increases as stated in your policy. We believe this information will enable you to anticipate the likelihood of future premium increases and to make an informed decision as to any benefit change options that could lower your premium now.]

[Future rate increases are planned and there is a high likelihood that in the future you will receive additional premium increases. As mentioned in the cover letter, the Company anticipates the need to pursue additional rate action in the future with approximately one year between each future rate increase request. In addition to the current rate increase, the Company will be implementing [a/an] [xx]% rate increase approximately one year after the current increase. Also, the Company anticipates the need to request additional rate increases with approximately one year between each future rate increase request. This is the Company's current best estimate for future rate increase action on this policy form. Future rate increase plans could change if future claims experience varies from current expectations. As with this increase, any future increases would continue to be based on the overall experience of your class of insureds and filed with your state insurance department for approval, if required. You will be notified in advance of such increases as stated in your policy. We believe this information will enable you to anticipate the likelihood of future premium increases and to make an informed decision as to any benefit change options that could lower your premium now.]

[As mentioned in the cover letter, the Company does not anticipate the need to pursue additional rate action in the future. This is the Company's current best estimate for future rate increase action on this policy form. Future rate increase plans could change if future claims experience varies from current expectations. As with this increase, any future increases would continue to be based on the overall experience of your class of insureds and filed with your state insurance department for approval, if required. You will be notified in advance of such increases as stated in your policy. We believe this information will enable you to anticipate the likelihood of future premium increases and to make an informed decision as to any benefit change options that could lower your premium now.]

Benefit Reduction Options

I understand that my premiums are being increased. I am not sure I want to pay the increased premium. Do I have any options?

We may be able to provide you with alternative approaches to offset the increase by modifying the

benefits in your policy. Our Client Services Department can give you detailed information about your policy. Some considerations might include removing optional riders that you may have purchased. However, you should always consider that if you reduce your coverage, you run the risk of increasing your out of pocket costs at time of claim.

If I choose to reduce my premiums, how long do I have to pick an option?

Your premium will increase on the effective date stated in your notice letter, but you may change your coverage at any time. You may elect now, or anytime in the future, to reduce benefits as outlined above. If you select any of the attached benefit reduction options, they will become effective on the rate increase effective date of [date] unless you specify otherwise.

Can the Company delay making my premium increase effective until I decide which option is best for me?

All policyholders within the same premium class must be treated similarly. We make sure that notices are mailed in advance of the increase to allow you time to make a decision. We cannot delay the premium increase on a policy by policy basis.

Survivorship Considerations

If I have a Paid-Up Survivorship Benefit in my policy, how is this affected by the premium adjustment?

The Paid-Up Survivorship Benefit can be a very valuable policy feature. If your policy contains this benefit and you think you may be eligible for this benefit in the future, you may find it to be in your best interest to pay the premium increase adjustment.

NOTE: Please refer to your specific policy language for information relating to how your Paid-Up Survivorship Benefit may work and any qualifications that may apply.

Contingent Nonforfeiture Benefit

If I choose not to pay future premiums, what happens to my coverage?

If you do not pay your premium when it becomes due, your current coverage will lapse, i.e. terminate. However, in order to help you avoid losing the amount of the premiums you have paid up to this point for your coverage, the Company will provide you with a Contingent Nonforfeiture Benefit. This benefit will allow your daily benefit amount and elimination period to remain the same, but the maximum benefits available will be reduced. The new maximum benefit will be determined as indicated on the enclosed Contingent Nonforfeiture Benefit Option page. Any inflation protection on your policy will stop at this time. This is not a cash value. It is benefit days available to you in the event that you become eligible for and receive covered services in the future. Once your Contingent Nonforfeiture Benefit has been exercised, you may not resume the payment of premiums or make any changes to your policy.

You can “elect” the Contingent Nonforfeiture Benefit by completing and returning the attached Contingent Nonforfeiture Benefit Option form now or within 120 days following the due date of the rate increase. This benefit is automatic if you stop paying your premiums within 120 days after the effective date of the rate increase.

NOTE: The Contingent Nonforfeiture Benefit provides limited benefits and is not a cash value. We urge you to carefully consider whether or not such limited benefits are appropriate for you.

Other Questions

My premiums are taken directly from my bank account. Do I need a new Pre-Authorized Checking form?

No, your existing authorization will allow us to deduct the correct premium from your account.

I am currently receiving benefits under my policy. How does this impact me if my premiums are being waived?

The premium increase will not impact your current claim. Your policy will continue to provide you with benefits in accordance with the terms of the coverage you purchased. The policy benefit that waives premium will continue to work the same way. If your premiums are currently being waived, the new premium will also be waived until such time as you are no longer eligible for waiver of premium, as stated in your policy. You will have to pay the adjusted premium when you return to a premium paying status.

I have read the enclosed documents and I still have questions. How do I get these questions answered?

If you would like assistance or have additional questions, we encourage you to contact our Client Services Department toll-free at [866-830-0607].

[BENEFIT REDUCTION OPTIONS TO REDUCE YOUR PREMIUM]

If you wish to modify your coverage as outlined in the options listed on the reverse side of this page, please declare the requested option in the space provided, sign and date in the space provided, and return this letter to Continental General Insurance Company in the enclosed postage paid return envelope. The attached list of benefit reductions is not a full representation of the benefit reductions that may be available for your policy form. If you are interested in discussing additional benefit reduction options, please call our Client Services Department toll-free at [866-830-0607].

Please note that this is only a QUOTE, NOT A GUARANTEE of any rate quoted, or a revision to your current policy contract. Premium calculations are based on the information provided and policy coverage as of [date]. Actual premium may differ slightly. As a result please do not remit premium with any benefit reductions. Upon election, your policy will be endorsed to reflect the actual premium.

Changes to your coverage may not be in your best interest if you are on claim or eligible to be on claim.

[Should you elect to cancel your Return of Premium Benefit Rider (ROP) by selecting the appropriate option on the reverse side of this page, the Company will provide you with a one-time cash benefit that is no less than the benefit described in your policy and will remove the rider from your policy. Please call the toll-free number above to receive more information regarding your one-time cash benefit.

Electing to cancel your ROP rider will not impact the status of your base policy and any additional riders attached to your policy.

The one-time cash benefit is a limited time offer. The Company must be properly notified of your intent to cancel your ROP rider within 120 days after the effective date of this rate increase. Otherwise, any benefits associated with your election to cancel your ROP rider after the 120 days will be based on the ROP provisions included in your policy. This rate increase will be effective on your premium due date of [date].]

Should you decide not to keep your policy in force at the increased premium level, or at a reduced benefit level, the Company will provide you with a Contingent Nonforfeiture Benefit at no cost to you. This benefit is described in the enclosed Contingent Nonforfeiture Benefit Option page.

Effective on your premium due date of [date], the [annual/semi-annual/quarterly/monthly] premium for your Long Term Care Insurance will be increased to [new modal premium amount]. Please select the requested benefit reduction option, which will become effective on the rate increase effective date. [You are entitled to select more than one of the following options. Please note that all benefit reduction options may not be of equal value.] Sign and date in the space provided and return this page to Continental General Insurance Company in the enclosed postage paid return envelope.

[Benefit Reduction Option 1 – Cancel Return of Premium Benefit Rider]

☐ Premium After Cancelling Rider \$[xxx,xxx.xx]

[Benefit Reduction Option [2] – Downgrade Maximum Lifetime Benefit]

Original Nursing Home Benefit [\$xxx,xxx]
Reduced Nursing Home Benefit [\$xxx,xxx]

Original Home Health Care Benefit [\$xxx,xxx]
Reduced Home Health Care Benefit [\$xxx,xxx]

☐ Premium After Reducing Benefit \$[xxx,xxx.xx]
☐ Premium After Reducing Benefit and Cancelling ROP Rider \$[xxx,xxx.xx]

[Benefit Reduction Option [3] – Downgrade Maximum Daily Benefit]

Original Nursing Home Daily Benefit \$[xxx.xx]
Reduced Nursing Home Daily Benefit \$[xxx.xx]

Original Home Health Care Daily Benefit \$[xxx.xx]
Reduced Home Health Care Daily Benefit \$[xxx.xx]

☐ Premium After Reducing Benefit \$[xxx,xxx.xx]
☐ Premium After Reducing Benefit and Cancelling ROP Rider \$[xxx,xxx.xx]

[Benefit Reduction Option [4] – Increase Elimination Period]

Current Elimination Period [xxx Days]
Increased Elimination Period [xxx Days]

☐ Premium After Increasing Elimination Period \$[xxx,xxx.xx]
☐ Premium After Increasing Elimination Period and Cancelling ROP Rider \$[xxx,xxx.xx]

By signing below, I am authorizing Continental General Insurance Company to reduce my coverage as indicated by the Option(s) selected/checked above.

Signature of Insured: _____ Date: _____

Signature of Spouse (if applicable): _____ Date: _____

Policy No. [0000000000] Policyholder Name: [xxxxxxxxxx xxxxxxxxxxxx]

CONTINGENT NONFORFEITURE BENEFIT OPTION

Regardless of any Nonforfeiture riders attached to your policy, the Company will provide you with a Contingent Nonforfeiture Benefit if you choose to lapse your policy now or within 120 days after the effective date of this rate increase. You may elect to exercise this benefit by returning this completed form. However, if we do not hear from you and your policy lapses within this time period, the Contingent Nonforfeiture Benefit will automatically take effect.

This rate increase will be effective on your premium due date of [date]. This offer expires on [120 days + rate increase effective date].

The Contingent Nonforfeiture Benefit will convert your policy to a paid-up status which will shorten the benefit period provided by your policy but will maintain your maximum daily benefit and elimination period at the time of conversion. If you have inflation protection on your policy, no further increases will occur. Your maximum benefit amount will be equal to the greater of:

- a) thirty (30) times the maximum daily long term care benefit at the time of conversion or
- b) the sum of all premiums paid per insured for the policy and any attached riders less any benefits paid by a Return of Premium Benefit Rider or Premium Accrual Benefit Rider

The maximum benefit amount provided by this Contingent Nonforfeiture Benefit shall not exceed the remaining unused Maximum Lifetime Benefit of your current policy at the time of conversion. This is not a cash value option. Each day you receive any long term care benefits will count as one full day toward the exhaustion of the maximum benefit amount.

NOTE: This Contingent Nonforfeiture Benefit will automatically be provided to you if you lapse your policy within 120 days after the effective date of this rate increase. [Electing the Contingent Nonforfeiture Benefit will automatically trigger the payment of the one-time benefit associated with cancelling your Return of Premium Benefit Rider.]

DO NOT complete and return this form if you are electing a Benefit Reduction Option or are maintaining your current policy and benefits by paying the new premium.

By signing below, I am electing the Contingent Nonforfeiture Benefit and am authorizing Continental General Insurance Company to convert my policy to a paid-up status with no further premiums due.

Signature of Insured: _____ Date: _____

Signature of Spouse (if applicable): _____ Date: _____

Policy No. [00000000000] Policyholder Name: [xxxxxxxxxx xxxxxxxxxxxx]

Continental General Insurance Company

Omaha, Nebraska

Form 440

Qualified Long Term Care Insurance Policy

MILLIMAN & ROBERTSON, INC.

A. Purpose

This filing outline is intended to demonstrate and support the reasonableness of policy Form 440 and its proposed premium structure. It should not be used for any other purpose.

B. Benefits

1. Form 440 is designed to provide coverage of specified services for long term care, as defined and limited in the policy.
2. Qualified long term care services are defined as necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services, which are required by a covered person who is chronically ill (as defined) and which are provided according to a plan of care prescribed by a licensed health care practitioner (as defined).
3. A chronically ill person is defined as someone who has been certified by a licensed health care practitioner as meeting at least one of the following conditions:
 - a. Being unable to perform, without substantial assistance from another person, at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity;
 - b. Having a level of disability similar to the level described above in 3.a.; or
 - c. Requiring substantial supervision to protect such person from threats to his health and safety due to severe cognitive impairment, defined in the policy in terms of deterioration or loss of intellectual capacity.
4. Form 440 lists and defines six basic functional abilities which relate to a person's ability to live independently. These activities of daily living are: bathing, dressing, eating, transferring, toileting and continence.
5. At the time of application and issue, the insured selects the long term care daily benefit amount, the elimination period and the lifetime maximum benefit limit. All three are shown in the policy schedule.
6. Subject to the elimination period, the long term care daily benefit is payable for each day of confinement in a long term care facility when qualified long term care services are received, subject to the lifetime maximum benefit limit.

B. Benefits *(continued)*

7. For each covered day of confinement in an alternate care facility, the benefit payable is the lesser of the long term care daily benefit amount and the expense actually incurred for that day. As in B.6., this benefit is subject to the elimination period and the lifetime maximum benefit limit.
8. Form 440 includes an alternate plan of care provision which allows payment for services under a written alternate care plan in lieu of confinement in a long term care facility. Such an alternate care plan must be a medically acceptable option, and it must be mutually agreeable to the insured, his licensed health care practitioner and the Company. This benefit is subject to the lifetime maximum benefit limit, but it is not subject to the elimination period.
9. A bed reservation benefit applies if a covered person continues to be charged for his room in a long term care facility while temporarily confined as a hospital inpatient. This benefit is equal to the long term care daily benefit amount, and is limited to no more than 21 days in a calendar year. Such days may be applied to satisfy the elimination period, and they are subject to the lifetime maximum benefit limit.
10. During the receipt of long term care facility benefits under this policy, prescription drugs are payable at 100% of actual charges, up to \$60 each calendar month.
11. Actual charges are payable for local ambulance services to or from a long term care facility or hospital, subject to limits of \$50 per trip and \$150 for one period of care.
12. The premium waiver provision waives premiums during an extended long term care facility confinement, beginning with premiums falling due more than 90 days after satisfaction of the policy elimination period. The waiver continues as long as benefits are payable for long term care facility confinement.
13. Form 440 includes a restoration of benefits provision. If a covered person remains "treatment free" for six months following a compensable long term care facility confinement, the remaining lifetime maximum benefit limit will be restored to the extent of those long term care facility confinement benefit amounts. Restored amounts are available only for subsequent long term care facility confinements.
14. Form 440 is guaranteed renewable for the lifetime of the insured. The Company retains the right to revise premiums by class by state of residence.

C. Assumptions for Premium Testing

1. Assumed net claim costs are based on a combination of several sources, including:

- a. Milliman & Robertson's unpublished long term care cost guidelines;
- b. Unpublished experience of other companies;
- c. 1985 National Nursing Home Survey;
- d. Publications from the National Center for Health Statistics; and
- e. Medicare experience data.

No single data source forms the basis for these claim costs, but item a. above is the primary starting point.

2. Tabular costs are modified to reflect such factors as selection, underwriting, company markets, and necessary margins for insured experience over population experience. In addition, they are modified to account for the expected impact of a 15% "spouse discount" which is part of the rate structure.
3. Premium waiver costs are reflected as percentage loadings on the underlying base benefit costs.
4. Premium test calculations are based on a level 5% interest rate.
5. Assumed termination rates are based on limited known experience under similar products. Attachment A shows the assumed termination rates, along with the mortality table used in testing and a description of how it applies. Note that the presence of the premium accrual benefit rider is expected to affect the termination rates, as described in the filing outline for that rider.
6. First year and renewal policy expenses are based on Company estimates of current costs for acquisition, underwriting and maintenance. Specific assumptions per policy are \$165 first year and \$35 each renewal year. These policy expenses are converted to unit costs based on an assumed average policy size.
7. Claim administration expense is expressed as 5% of claims.
8. Other percentage expenses are based on known levels of commissions, premium taxes, fees, agency contests and other similar items. Combined expenses vary by issue age:

C. Assumptions for Premium Testing *(continued)*

<u>Issue Ages</u>	<u>Year 1</u>	<u>Years 2 & 3</u>	<u>Thereafter</u>
Under 80	71%	21%	19%
80-85	61%	18%	13%

9. For profit study testing, midterminal policy reserves are calculated from the pricing claim costs combined with 1980 CSO mortality and 4.5% interest, under the one-year preliminary term method.

D. Basic Formula for Test Premiums

$$GP_{[x]} = \frac{(1+e^c)K_{[x]} + {}^1e^a \cdot D_{[x]} + {}^re^a \cdot N_{[x]+1}}{N_{[x]} - {}^1e^p \cdot D_{[x]} - {}^2e^p \cdot (N_{[x]+1} - N_{[x]+3}) - {}^re^p \cdot N_{[x]+3}}$$

e^c is claim administration expense.

${}^1e^a$ is policy expense of acquisition & maintenance.

${}^1e^p$ is expense and margin expressed as a percentage of gross premium.

E. Summary Conclusions

1. The aggregate expected incurred loss ratio for Form 440 exceeds 60%. This is based on the ratio of the present value of benefits to the present value of premiums, for an assumed mix of business by plan, age and size.

The table below shows the estimated expected loss ratios by policy year for the first ten years, as required by certain states for filing:

<u>Policy Year</u>	<u>Ratio</u>	<u>Policy Year</u>	<u>Ratio</u>
1	20%	6	80%
2	50	7	80
3	65	8	80
4	70	9	80
5	75	10	80

E. Summary Conclusions *(continued)*

2. The average annual premium per policy will depend on the distribution of sales by plan, age and size. Based on past experience, the assumed mix used in E. 1. gives an estimated average annual premium per policy of about \$1,300-\$1,400.
3. To the best of my knowledge and judgment, this rate filing complies with the applicable laws and regulations of the states in which it is to be filed, the anticipated loss ratio meets or exceeds the benchmarks of those states, and the premiums are reasonable in relation to the benefits provided.

MILLIMAN & ROBERTSON, INC.

A handwritten signature in dark ink, appearing to read "K. Peterson", is written over a horizontal line.

Kris E. Peterson, F.S.A.
Member, American Academy of Actuaries

January 30, 1997

Attachment A

Continental General Insurance Company Form 440

I. Representative Total Termination Rates (modified as described below in item II):

<u>Policy Year</u>	<u>Without Premium Accrual Rider</u>	<u>With Premium Accrual Rider</u>
1	20%	20%
2	17	16
3	14	13
4	12	10
5	10	8
6+	10	7

II. Pricing Mortality Rates:

<u>Attained Age</u>	<u>Rate per 100,000</u>	<u>Attained Age</u>	<u>Rate per 100,000</u>	<u>Attained Age</u>	<u>Rate per 100,000</u>
65	2,745	77	7,717	89	19,830
66	3,007	78	8,432	90	20,664
67	3,281	79	9,180	91	21,404
68	3,560	80	9,945	92	22,394
69	3,846	81	10,746	93	23,945
70	4,169	82	11,607	94	25,838
71	4,547	83	12,557	95	27,386
72	4,960	84	13,620	96	28,631
73	5,408	85	14,787	97	29,949
74	5,904	86	16,062	98	31,295
75	6,453	87	17,434	99	32,665
76	7,056	88	18,753	100	34,056

In the gross premium calculations, these mortality rates are used only as a comparison basis to ensure that the total termination rate by attained age never falls below some reasonable mortality rate. In other words, for any given attained age, the effective total termination rate is the greater of:

- The appropriate rate from I. above (depends on policy duration); and
- The appropriate mortality rate from the table above.

Continental General Insurance Company

Omaha, Nebraska

Form HC(Q)

Home and Community Care Benefits Rider

MILLIMAN & ROBERTSON, INC.

A. Purpose

This filing outline is intended to demonstrate and support the reasonableness of rider Form HC(Q) and its proposed premium structure. It should not be used for any other purpose.

B. Benefits

1. Rider Form HC(Q) is designed for use with long term care policy Form 440 and its related special state variations. It provides home and community care benefits as outlined below.
2. Four types of providers are covered under this rider, each as defined:
 - a. Home health care agency, with covered services split between advanced services and basic services;
 - b. Adult day care center;
 - c. Hospice care facility or program; and
 - d. Respite care provider.
3. Covered home and community care is defined in terms of qualified long term care services (as defined in the underlying base policy) delivered by one of the listed provider types to a covered chronically ill person (as defined in the underlying base policy).
4. The rider daily benefit limit and the lifetime maximum benefit limit are shown in the rider and policy schedule.
5. Form HC(Q) includes an elimination period of five days independent of any such period under the base policy. A day for which any of the covered types of care would otherwise be payable counts toward satisfaction of the elimination period.
6. Once the rider elimination period has been satisfied, home and community care benefits are payable as shown below, subject to both the rider maximum daily benefit and the rider lifetime maximum benefit:
 - a. 100% of advanced home health care services;
 - b. 80% of all other covered services.

B. Benefits *(continued)*

7. Rider benefits will not duplicate any coverage provided by the base policy to which the rider is attached. In the event of such potential duplication, the greater of the two benefit amounts will be paid. Also, rider benefits will not duplicate coverage to the extent already paid by Medicare.
8. Form HC(Q) terminates when the base policy terminates, when the insured submits a request to cancel the rider, or when the rider lifetime maximum benefit limit is reached, whichever occurs first.
9. Form HC(Q) takes its renewability from the underlying base policy, which is guaranteed renewable for the lifetime of the insured. The Company retains the right to revise premiums by class by state of residence.

C. Assumptions for Premium Testing

1. Assumed rider claim costs are based on a combination of several sources, including:
 - a. Milliman & Robertson's unpublished long term care cost guidelines;
 - b. Medicare experience data;
 - c. Unpublished experience of other companies; and
 - d. 1988-89 Wisconsin Home Health Agency Utilization Survey.

No single data source forms the basis for these claim costs, but item a. above is the primary starting point.

2. Tabular costs are modified to reflect such factors as selection, underwriting, company markets, and necessary margins for insured experience over population experience.
3. No additional flat expenses are assumed to apply to this rider. All percentage expenses and margins carry over from the base policy premiums, viz., claim administration expense of 5% of claims, and other combined percentage expenses of:

<u>Issue Ages</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Thereafter</u>
Under 80	71%	21%	19%
80-85	61%	18%	13%

C. Assumptions for Premium Testing *(continued)*

4. Other premium assumptions carry over from the base policy, as well. Attachment A shows the assumed termination rates.
5. Test premium calculations and formulas follow those of the underlying base policy.

D. Summary Conclusions

1. The aggregate expected incurred loss ratio for Form HC(Q) exceeds 60%. This is based on the ratio of the present value of benefits to the present value of premiums, for an assumed mix of business by plan, age and size.
2. The average annual premium per rider will depend on the distribution of sales by plan, age and size. Consistent with the estimated average annual premium per policy on Form 440, the corresponding estimate for Form HC(Q) is about \$600-\$650.
3. To the best of my knowledge and judgment, this rate filing complies with the applicable laws and regulations of the states in which it is to be filed, the anticipated loss ratio meets or exceeds the benchmarks of those states, and the premiums are reasonable in relation to the benefits provided.

MILLIMAN & ROBERTSON, INC.

By



Kris E. Peterson, F.S.A.
Member, American Academy of Actuaries

January 30, 1997

MILLIMAN & ROBERTSON, INC.

Attachment A

Continental General Insurance Company Rider HC(Q) Attached to Form 440

I. Representative Total Termination Rates (modified as described below in item II):

<u>Policy Year</u>	<u>Without Premium Accrual Rider</u>	<u>With Premium Accrual Rider</u>
1	20%	20%
2	17	16
3	14	13
4	12	10
5	10	8
6+	10	7

II. Pricing Mortality Rates:

<u>Attained Age</u>	<u>Rate per 100,000</u>	<u>Attained Age</u>	<u>Rate per 100,000</u>	<u>Attained Age</u>	<u>Rate per 100,000</u>
65	2,745	77	7,717	89	19,830
66	3,007	78	8,432	90	20,664
67	3,281	79	9,180	91	21,404
68	3,560	80	9,945	92	22,394
69	3,846	81	10,746	93	23,945
70	4,169	82	11,607	94	25,838
71	4,547	83	12,557	95	27,386
72	4,960	84	13,620	96	28,631
73	5,408	85	14,787	97	29,949
74	5,904	86	16,062	98	31,295
75	6,453	87	17,434	99	32,665
76	7,056	88	18,753	100	34,056

In the gross premium calculations, these mortality rates are used only as a comparison basis to ensure that the total termination rate by attained age never falls below some reasonable mortality rate. In other words, for any given attained age, the effective total termination rate is the greater of:

- a. The appropriate rate from I. above (depends on policy duration); and
- b. The appropriate mortality rate from the table above.

Continental General Insurance Company

Omaha, Nebraska

Form IG(Q)-1

Inflation Benefit Rider

MILLIMAN & ROBERTSON, INC.

A. Purpose

This filing outline is intended to demonstrate and support the reasonableness of rider Form IG(Q)-1 and its proposed premium structure. It should not be used for any other purpose.

B. Benefits

1. Rider Form IG(Q)-1 is designed for use with long term care policy Form 440 and its related special state variations. It provides inflation protection benefits as outlined below.
 2. The current daily benefit amount under the policy will be increased 5% on each policy anniversary for as long as this rider is in force. These compounded increases will apply to the benefit limits of any optional riders, as well.
 3. Form IG(Q)-1 terminates when the base policy terminates, or when the insured submits a request to cancel the rider.
 4. Form IG(Q)-1 takes its renewability from the underlying base policy, which is guaranteed renewable for the lifetime of the insured. The Company retains the right to revise premiums by class by state of residence.
-

C. Gross Premium Assumptions

1. Rider premium testing was based on the following general approach:
 - a. For a given plan, modify the base net claim costs by duration to reflect the annual increases arising from Form IG(Q)-1.
 - b. Calculate test premiums based on these modified claim costs, keeping all other base plan premium assumptions unchanged.
 - c. Compare the resulting premiums to those corresponding base plan premiums. The difference is the premium for this inflation benefit, expressed either in dollar amounts or as a percentage increase in the base plan premium.
2. This rider premium testing led to the adoption of rider rates derived as a percentage of the corresponding base policy premiums, where the percentage varies somewhat by issue age.

C. Gross Premium Assumptions *(continued)*

3. No additional flat expenses are assumed to apply to this rider. All percentage expenses and margins carry over from the base policy premiums, viz., claim administration expense of 5% of claims, and other combined percentage expenses of:

<u>Issue Ages</u>	<u>Year 1</u>	<u>Years 2 & 3</u>	<u>Thereafter</u>
Under 80	71%	21%	19%
80-85	61%	18%	13%

4. Other premium assumptions carry over from the base policy, as well. Attachment A shows the assumed termination rates.

D. Summary Conclusions

1. The approach/methodology used to derive premiums for Form IG(Q)-1 points to an aggregate expected incurred loss ratio in excess of 60%. This is based on the ratio of the present value of benefits to the present value of premiums for this rider alone.
2. The average annual premium per rider will depend on the average premium of the underlying policy and the mix of other riders present. Consistent with those estimates, the corresponding estimate for Form IG(Q)-1 is about \$800-\$850.
3. To the best of my knowledge and judgment, this rate filing complies with the applicable laws and regulations of the states in which it is to be filed, the anticipated loss ratio meets or exceeds the benchmarks of those states, and the premiums are reasonable in relation to the benefits provided.

MILLIMAN & ROBERTSON, INC.

By



Kris E. Peterson, F.S.A.
Member, American Academy of Actuaries

January 30, 1997

Attachment A

Continental General Insurance Company Rider IG(Q)-1 Attached to Form 440

I. Representative Total Termination Rates (modified as described below in item II):

<u>Policy Year</u>	<u>Without Premium Accrual Rider</u>	<u>With Premium Accrual Rider</u>
1	20%	20%
2	17	16
3	14	13
4	12	10
5	10	8
6+	10	7

II. Pricing Mortality Rates:

<u>Attained Age</u>	<u>Rate per 100,000</u>	<u>Attained Age</u>	<u>Rate per 100,000</u>	<u>Attained Age</u>	<u>Rate per 100,000</u>
65	2,745	77	7,717	89	19,830
66	3,007	78	8,432	90	20,664
67	3,281	79	9,180	91	21,404
68	3,560	80	9,945	92	22,394
69	3,846	81	10,746	93	23,945
70	4,169	82	11,607	94	25,838
71	4,547	83	12,557	95	27,386
72	4,960	84	13,620	96	28,631
73	5,408	85	14,787	97	29,949
74	5,904	86	16,062	98	31,295
75	6,453	87	17,434	99	32,665
76	7,056	88	18,753	100	34,056

In the gross premium calculations, these mortality rates are used only as a comparison basis to ensure that the total termination rate by attained age never falls below some reasonable mortality rate. In other words, for any given attained age, the effective total termination rate is the greater of:

- a. The appropriate rate from I. above (depends on policy duration); and
- b. The appropriate mortality rate from the table above.

Continental General Insurance Company

Omaha, Nebraska

Form PAR

Premium Accrual Benefit Rider

MILLIMAN & ROBERTSON, INC.

A. Purpose

This filing outline is intended to demonstrate and support the reasonableness of rider Form PAR and its proposed premium structure. It should not be used for any other purpose.

B. Benefits

1. Rider Form PAR is designed for use with long term care policy Form 440 and its related special state variations. It provides a premium accrual benefit as outlined below.
2. At the end of ten years, this rider provides a benefit equal to 80% of the premiums paid during that ten years, subject to B.4. below.
3. If the rider is surrendered after it has been in force more than five years, a reduced portion of all premiums paid will be refunded, according to the schedule in the rider. The scheduled benefit percentages increase by duration, reaching 80% at the end of ten years.
4. The premium accrual benefit amount is reduced by the sum of all claims paid under the policy and riders during the period over which this rider has been in force.
5. Form PAR terminates when the base policy terminates, when the insured submits a request to cancel the rider, or at the end of ten years from the rider effective date, whichever occurs first.
6. This rider takes its renewability from the underlying base policy, which is guaranteed renewable. The Company retains the right to revise premiums by class by state of residence.

C. Rider Premium Assumptions

1. The rider premium should be expressed as a percentage loading on the base plan premiums, since the rider benefit amount is a function of the total premium, including the rider premium.
2. The presence of this rider will affect both the lapse pattern and the claim pattern under the base plan. Hence, the pricing of the rider must be based on the combined base plan/rider package.
3. The claim offset provision is represented by assuming that the average rider benefit will be reduced by some percentage to reflect that offset. Based on past experience of other companies, this reduction is assumed to be 5-15%, depending on age.

C. Rider Premium Assumptions *(continued)*

4. Based on the known levels for commissions, premium taxes and other rider expenses, about 75% of the rider gross premium is available to cover the cost of the premium accrual benefit. Percentage expenses include claim administration expense of 5% of claims, plus other combined percentage expenses of 71% first year and 3% in renewal years.

No additional flat expenses are assumed to apply.

5. Most other premium assumptions carry over from the base policy. Attachment A shows representative assumed termination rates, which are different from those assumed for the base policy alone.
6. Rider premium testing was based on a range of reasonable combinations of certain assumptions, primarily the termination rates and the interest rate. That testing led to the adoption of rider premium rates derived as percentages of the corresponding base policy premiums.

D. Formula for Premium Percentage

Assuming a \$100 base plan premium unit:

$$[0.75(100R)][PA] = (1+R)(DRB \text{ per } \$100)$$

R is the premium accrual benefit loading (or rider premium) for which we are solving.

PA is the sum of the test period premium annuity reflecting terminations and interest.

DRB is the sum of the discounted rider benefit payments reflecting terminations and interest, per \$100 premium, and incorporates the assumed claim offset.

The left side of the general formula represents the present value at issue of the net premiums available to cover the cost of the rider benefits. The right side represents the present value at issue of the rider benefits to be paid over the rider period.


E. Summary Conclusions

1. The aggregate expected incurred loss ratio for Form PAR is 75%. This is based on the ratio of the present value of the expected rider benefits to the present value of the rider premium portion only.

E. Summary Conclusions *(continued)*

2. The average annual premium per rider will depend on the average premium of the underlying policy and the mix of other riders present. Consistent with those estimates, the corresponding estimate for Form PAR is about \$1,000-\$1,200.
3. To the best of my knowledge and judgment, this rate filing complies with the applicable laws and regulations of the states in which it is to be filed, the anticipated loss ratio meets or exceeds the benchmarks of those states, and the premiums are reasonable in relation to the benefits provided.

MILLIMAN & ROBERTSON, INC.

By 
Kris E. Peterson, F.S.A.
Member, American Academy of Actuaries

January 30, 1997

Attachment A

Continental General Insurance Company Rider Form PAR Attached to Form 440

I. Representative Total Termination Rates (modified as described below in item II):

Policy Year	Termination Rate
1	20%
2	16
3	13
4	10
5	8
6+	7

II. Pricing Mortality Rates:

Attained Age	Rate per 100,000	Attained Age	Rate per 100,000	Attained Age	Rate per 100,000
65	2,745	77	7,717	89	19,830
66	3,007	78	8,432	90	20,664
67	3,281	79	9,180	91	21,404
68	3,560	80	9,945	92	22,394
69	3,846	81	10,746	93	23,945
70	4,169	82	11,607	94	25,838
71	4,547	83	12,557	95	27,386
72	4,960	84	13,620	96	28,631
73	5,408	85	14,787	97	29,949
74	5,904	86	16,062	98	31,295
75	6,453	87	17,434	99	32,665
76	7,056	88	18,753	100	34,056

In the gross premium calculations, these mortality rates are used only as a comparison basis to ensure that the total termination rate by attained age never falls below some reasonable mortality rate. In other words, for any given attained age, the effective total termination rate is the greater of:

- a. The appropriate rate from I. above (depends on policy duration); and
- b. The appropriate mortality rate from the table above.

Continental General Insurance Company

Omaha, Nebraska

Form NF-RPU(Q)

Nonforfeiture Benefit Rider

MILLIMAN & ROBERTSON, INC.

A. Purpose

This filing outline is intended to demonstrate and support the reasonableness of rider Form NF-RPU(Q) and its proposed premium structure. It should not be used for any other purpose.

B. Benefits

1. Rider Form NF-RPU(Q) is designed for use with long term care policy Form 440 and its related special state variations. It provides a reduced paid-up nonforfeiture benefit as outlined below.
2. This rider provides a reduced paid-up benefit if the rider has been in force for at least three years and the underlying base policy lapses due to nonpayment of premium.
3. The policy's long term care benefits continue in force under the same daily benefit amount(s) and elimination period(s) in effect at the time of policy lapse. If the inflation rider is part of the policy, no further inflation adjustments will apply after lapse.
4. The policy's lifetime maximum benefit amount is replaced by this rider's reduced paid-up maximum benefit amount, which is equal to the greater of: (a) the sum of all premiums paid for the policy, including any attached riders; or (b) 30 times the long term care daily benefit amount in effect on the date of lapse.
5. This rider's reduced paid-up maximum benefit amount cannot exceed the unused portion of the underlying base policy's lifetime maximum benefit amount at the time of lapse.
6. Form NF-RPU(Q) terminates when the insured submits a request to cancel or terminate this rider, when the insured dies, when the base policy's lifetime maximum benefit amount has been paid, or when this rider's reduced paid-up maximum benefit amount has been paid, whichever occurs first.
7. Form NF-RPU(Q) takes its renewability from the underlying base policy, which is guaranteed renewable for the lifetime of the insured. The Company retains the right to revise premiums by class by state of residence.

C. Rider Premium Assumptions

1. Form NF-RPU(Q) premium testing has been based on a benefit unit reflecting the annual policy premium amount, with the result that Form NF-RPU(Q) premiums are expressed as percentage loadings on the underlying policy premium.

C. Rider Premium Assumptions *(continued)*

2. The expected value of reduced paid-up benefits is a function of lapse rates, mortality rates, claim incidence and continuance following lapse, and assumed discount rates. For testing purposes, all of these assumptions have been made to be consistent with the pricing of the underlying base coverage.
3. Rider premium testing covered a range of selected issue ages and plan combinations, as well as limited sensitivity testing of certain assumptions. That testing led to the adoption of a schedule of rider premium percentage loadings varying only by issue age group.
4. No additional flat expenses are assumed to apply to this rider. All non-commission percentage expenses carry over from the base policy premiums (5% claim administration, 3% taxes and fees all years, plus 3% expense in the first year only). Due to the uncertain nature of this developing coverage, plus the need for an allowance for expenses beyond the end of the premium-paying period, a higher margin is warranted. Premium testing has been based on a combined loading of about 30% for expenses and margin.
5. Other premium assumptions carry over from the base policy, as well. The table below shows representative total termination rates assumed in the premium testing.

Policy Year	Selected Issue Ages				
	52	62	67	72	77
1	20%	20%	20%	20%	20%
2	15	16	17	18	18
3	12	13	14	15	15
4	10	11	12	12	12
5+	10	10	10	10	10

These total termination rates are split between mortality and lapse using a representative standard mortality basis. Also, they are not allowed to fall below a reasonable mortality rate at the older attained ages.

D. Summary Conclusions

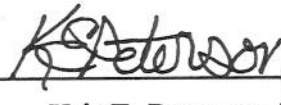
1. The approach/methodology used to derive premiums for Form NF-RPU(Q) dictates an aggregate expected incurred loss ratio in excess of 60%. This is based on the composite ratio of the present value of benefits to the present value of premiums under the range of test assumptions.

D. Summary Conclusions *(continued)*

2. The average annual premium per rider will depend on the average premium of the underlying policy, the mix of other riders present, and the distribution of issue ages. Consistent with those estimates, the corresponding estimate for Form NF-RPU(Q) is roughly \$200-\$225.
3. To the best of my knowledge and judgment, this rate filing complies with the applicable laws and regulations of the states in which it is to be filed, the aggregate anticipated loss ratio meets or exceeds the benchmarks of those states, and the premiums are reasonable in relation to the benefits provided.

MILLIMAN & ROBERTSON, INC.

By

A handwritten signature in dark ink, appearing to read "Kris E. Peterson", is written over a horizontal line.

Kris E. Peterson, F.S.A.
Member, American Academy of Actuaries

January 30, 1997

CONTINENTAL GENERAL INSURANCE COMPANY

POLICY FORM 440 ANNUAL PREMIUMS PER \$10 DAILY BENEFIT TWO YEARS BENEFIT PERIOD

ISSUE AGE	0 DAYS ELIMINATION	30 DAYS ELIMINATION	100 DAYS ELIMINATION
49 & under	21	19	16
50-54	22	20	17
55-59	31	28	24
60	49	44	36
61	51	45	38
62	54	48	40
63	57	51	41
64	62	55	44
65	71	63	51
66	79	70	56
67	85	76	61
68	94	84	68
69	102	91	73
70	111	99	81
71	124	110	89
72	136	121	98
73	148	132	108
74	163	145	119
75	182	162	131
76	201	179	146
77	224	199	162
78	246	219	179
79	270	240	196
80	294	261	213
81	318	282	230
82	342	303	247
83	366	324	264
84	390	345	281

MODAL FACTORS

Semi-Annual: .52 of Annual Rate
Quarterly: .265 of Annual Rate

Monthly Direct: .09 of Annual Rate
Monthly B.O.M.: .085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

POLICY FORM 440 ANNUAL PREMIUMS PER \$10 DAILY BENEFIT FOUR YEARS BENEFIT PERIOD

ISSUE AGE	0 DAYS ELIMINATION	30 DAYS ELIMINATION	100 DAYS ELIMINATION
49 & under	29	26	21
50-54	30	27	22
55-59	42	38	31
60	63	57	48
61	65	59	51
62	68	62	52
63	73	66	56
64	77	70	58
65	91	83	70
66	99	90	75
67	109	99	82
68	120	109	92
69	132	120	100
70	145	132	110
71	160	146	121
72	178	162	135
73	199	181	150
74	220	200	167
75	245	223	185
76	274	249	206
77	304	277	230
78	337	307	255
79	368	335	280
80	399	363	305
81	430	391	330
82	461	419	355
83	492	447	380
84	523	475	405

MODAL FACTORS

Semi-Annual: .52 of Annual Rate
Quarterly: .265 of Annual Rate

Monthly Direct: .09 of Annual Rate
Monthly B.O.M.: .085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

POLICY FORM 440
ANNUAL PREMIUMS PER \$10 DAILY BENEFIT
UNLIMITED BENEFIT PLAN

ISSUE AGE	0 DAYS ELIMINATION	30 DAYS ELIMINATION	100 DAYS ELIMINATION
49 & under	34	32	27
50-54	35	33	28
55-59	52	48	41
60	77	72	63
61	82	76	66
62	85	79	68
63	91	85	74
64	97	90	77
65	113	105	92
66	124	115	99
67	137	127	109
68	149	139	121
69	167	155	132
70	183	170	146
71	201	187	159
72	222	206	176
73	248	231	199
74	273	254	219
75	303	282	241
76	337	313	268
77	375	349	300
78	414	385	331
79	454	422	364
80	494	459	397
81	534	496	430
82	574	533	463
83	614	570	496
84	654	607	529

MODAL FACTORS

Semi-Annual: .52 of Annual Rate
Quarterly: .265 of Annual Rate

Monthly Direct: .09 of Annual Rate
Monthly B.O.M.: .085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

NONFORFEITURE BENEFIT RIDER - Form NF-RPU(Q)

Apply the following percentages to the total premium
of the policy including all riders

<u>Issue Ages</u>	<u>Premium Percentages</u>
45-54	20%
55-59	18%
60-64	16%
65-69	15%
70-74	14%
75-79	13%
80-84	12%

CONTINENTAL GENERAL INSURANCE COMPANY

PREMIUM ACCRUAL BENEFIT RIDER - Form PAR

Apply the following percentages to the total premium
of the policy including all riders

<u>Issue Ages</u>	<u>Premium Percentage</u>
49 & Under	90%
50-54	88
55-59	83
60	78
61	77
62	76
63	74
64	73
65	72
66	71
67	70
68	68
69	67
70	66
71	65
72	64
73	64
74	63
75	62
76	61
77	60
78	60
79	59
80	58
81	57
82	56
83	56
84	55

MODAL FACTORS

Semi-Annual: .52 of Annual Rate
Quarterly: .265 of Annual Rate

Monthly Direct: .09 of Annual Rate
Monthly B.O.M.: .085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMAPNY

HOME AND COMMUNITY CARE RIDER - Form HC(Q) PER \$10 DAILY BENEFIT 5 DAY ELIMINATION BASE PLAN

<u>2 Year Maximum</u>		<u>4 Year Maximum</u>		<u>Unlimited Maximum</u>	
Age	Premium	Age	Premium	Age	Premium
49/under	12.00	49/under	16.00	49/under	26.00
50-54	12.00	50-54	17.00	50-54	27.00
55-59	14.00	55-59	21.00	55-59	34.00
60	17.00	60	25.00	60	40.00
61	18.00	61	27.00	61	43.00
62	19.00	62	29.00	62	46.00
63	20.00	63	30.00	63	48.00
64	22.00	64	32.00	64	51.00
65	23.00	65	35.00	65	56.00
66	24.00	66	37.00	66	59.00
67	26.00	67	39.00	67	62.00
68	27.00	68	42.00	68	67.00
69	30.00	69	45.00	69	72.00
70	32.00	70	48.00	70	77.00
71	34.00	71	51.00	71	82.00
72	37.00	72	55.00	72	88.00
73	40.00	73	60.00	73	96.00
74	42.00	74	65.00	74	104.00
75	46.00	75	70.00	75	112.00
76	50.00	76	76.00	76	122.00
77	55.00	77	83.00	77	133.00
78	59.00	78	89.00	78	142.00
79	64.00	79	96.00	79	154.00
80	69.00	80	106.00	80	170.00
81	75.00	81	113.00	81	181.00
82	80.00	82	120.00	82	192.00
83	86.00	83	127.00	83	203.00
84	91.00	84	134.00	84	214.00

MODAL FACTORS

Semi-Annual: .52 of Annual Rate
Quarterly: .265 of Annual Rate

Monthly Direct: .09 of Annual Rate
Monthly B.O.M.: .085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMAPANY

FORM IG(Q)-1 INFLATION GUARD RIDER

Apply the following percentages to the total premium of the policy to which it is attached including all riders.

<u>Issue Ages</u>	<u>Premium Percentage</u>
49 & under	65%
50-54	62
55-59	60
60	58
61-62	57
63-64	56
65-66	55
67-68	54
69-70	53
71	51
72	49
73	48
74	46
75	45
76	44
77	43
78	42
79	41
80	40
81	39
82	38
83	37
84	36

December 3, 2018

Bureau of Insurance
State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 10/25/2018 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

1. *Since the policyholder notification letter, change request form, and any other form used for policyholder rate increase notifications, become a part of the policy the forms are required to be filed for review. As such, they should be moved under the Form Schedule" section. If the Company intends to use a previously approved policyholder notification letter and/or form, please provide the SERFF tracking number for the approved letter and/or forms.*

Please find that the form "CGI – RINC(VA)(0518)" has been added to the Form Schedule section.

2. *Pursuant to 14VAC5-200-75 D, an insurer is required to provide notice of an upcoming premium rate schedule increase to all policyholders at least 75 days prior to the implementation of the premium rate schedule increase. Please confirm that the company will comply with this requirement.*

The Company will provide notice of the upcoming rate increase to all policyholders at least 75 days prior to the implementation of the premium rate increase pursuant to 14VAC5-200-75 D.

3. *Amend the letter to provide a better explanation regarding the factors driving the rate increase. The use of insurance terms should be explained or reworded so that the explanation in the letter meets the need for more consumer-friendly language.*

The Company respectfully asks that the letter be allowed to remain unchanged, as the Company strives to keep the content of our rate increase notification letters as uniform as possible on a Nationwide basis.

4. *Will the policyholder receive a revised schedule page if an option is elected? If so, please provide a copy of the form and the date approved, including the SERFF or State tracking number if available.*

If an insured elects a benefit reduction offer, the Company provides a policy endorsement which reflects the changes to the policy. The contingent nonforfeiture benefit endorsement form was filed under SERFF tracking number GLTC-131574054.

5. *In the case of a partnership policy, provide a disclosure that some benefit reduction options may result in a loss in partnership status that may reduce policyholder protections.*

No partnership policies are included in this filing.

6. *Please include a statement of variability for the policyholder notification letter and Contingent Non-Forfeiture Benefit Election Form.*

Please find that the requested statement of variability has been uploaded to SERFF as "CGI Statement of Variability.pdf".

7. *Pursuant to 14VAC 5-100-40 A 3, please include a certification similar to the following for the policyholder notification letter, or any other filed form if applicable.*

Please see the response to item 8 below.

8. *A statement identical to the following which is signed by the General Counsel or an officer of the company or any attorney or actuary representing the company: The company has reviewed the enclosed policy form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.*

Please find the requested certification uploaded to SERFF as "CGI RINC(VA)(0518) Certificate of Compliance – VA.pdf".

9. *Prior to resubmitting, the company may wish to review the requirements of 14VAC5-200-75 D and 14VAC5-100 et seq. to ensure that all applicable requirements have been met.*

The Company has reviewed 14VAC5-200-75 D and 14VAC5-100 et seq.

In light of this information, please consider our request for a 136.1% increase on the Base Policy Forms and Riders, along with an increase of 218.8% on the IGR percentage loads for the above referenced policy forms. Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,

Eric Coldewey
Actuarial Analyst
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

December 5, 2018

Bureau of Insurance
State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 12/5/2018 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

- 1. It appears that the Policyholder Notification Letter (CGI-RINC(VA)(0518) is the same letter as filed under SERFF # GLTC-131253864. If this is correct, please remove the Policyholder Letter from the Form Schedule and place the document under the Supporting Documentation tab.*

The policyholder notification letter in this filing is the same as that for SERFF filing GLTC-131253864. Please find that the notification letter has been removed from the Form Schedule and is available under the Supporting Documentation tab.

Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,

Eric Coldewey
Actuarial Analyst
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

May 7, 2019

Bureau of Insurance
State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.
SERFF Tracking Number: GLTC-131254015**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 4/12/2019 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

The VA Bureau of Insurance has a concern regarding the proposed rate increase given that only 18 policyholders remain. In addition, the Company's proposed increase request raises the VA cumulative increase total to 624% for policies without inflation and 878% for policies with inflation. The nationwide cumulative pending is much lower at 386% and 377% respectively. We understand that under 14VAC5-200-150 the requested increase is supported. However, in order to determine the appropriateness of the increase we also examine state rate equity, calculations of lifetime loss ratio assuming the requested rates had been in effect from inception of the policy (which are well below 60%). The purpose of the additional tests is to rule out state subsidization and recoupment of prior losses. When the block of business is broken down into benefit periods of less than 5 years and those greater than 5 years, the segments of business with benefit periods of less than 5 years do not support a rate increase.

1. *Please provide a detailed explanation of the Company's plans for future rate increases if the proposed rate increase were approved. Provide a description of the lifetime loss ratio to which the Company will manage this block of business going forward and what would trigger a request for an additional rate increase.*

Based on the analysis provided, a nationwide rate increase amount of 101.4% is justified for base and a rate increase of 152.8% is justified for Inflation Guard Rider. Given Virginia's rate increase approvals thus far, a rate increase of 136.1% and 218.8% was requested during this rate increase filing. As demonstrated in Exhibit 3b, the lifetime loss ratio after the Nationwide justified rate increase for policies without an active inflation guard rider is 80.5%. Similarly, as demonstrated in Exhibit 3c, the lifetime loss ratio after the Nationwide justified rate increase for policies with an active inflation guard rider is 101.5%. The Company intends to pursue rate increases until the full justified rate increase is provided.

2. *Provide the Company's response, considering the additional tests performed regarding state rate equity and recoupment of past losses, towards the consideration of revising the rate increase to 0% for policy benefit periods of less than 5 years and 55% policies with benefit periods greater than 5 years.*

While we firmly believe that the requested 136.1% base rate increase and 218.8% Inflation Guard Rider (IGR) percentage load increase is actuarially justified, we will accept the Bureau's offer of a 55% base increase for policies with benefit periods greater than 5 years. Policies with a benefit period less than 5 years will not receive a rate increase. As the Bureau's counteroffer is below the requested increase, the Company does intend to file for future rate increases.

It was noted above that calculations of lifetime loss ratio assuming the requested rates had been in effect from inception of the policy were performed to determine the appropriateness of the rate increase. We would like to note at this time that the Company disagrees with the use of the methodology which assumes that all past premiums were paid at the newly proposed rate level in determining if the premiums are adequate. The premise in this approach is that all changes in assumptions, even those resulting from the accumulation of actual experience should have been known at issue creates a "phantom premium" and increases the actual earned premium in the denominator of the loss ratio calculation by the amount of the "phantom premium". At the time of pricing for this product, it was not possible to have charged this level of premium. Assumptions believed to be the best estimate at the time these policy forms were issued did not support this premium level. Therefore, it was not feasible for the Company to have charged the rates indicated by this methodology, which include the "phantom premium", from inception. Additionally, this calculation does not account for the different risk that would have resulted if the premium rates had been at the indicated rate level at the time of issue. The resulting risk pool would have been healthier overall, and this would have led to an increase in the incurred claims experienced by the Company as compared to those included in these calculations.

Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,



Deborah A. Keeler, ASA, MAAA
Senior Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

August 29, 2019

Bureau of Insurance
State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.
SERFF Tracking Number: GLTC-131254015**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 8/28/2019 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

1. *As the Virginia Bureau of Insurance nears the completion of the Company's rate increase request, is the Company willing to consider implementing the 55% rate increase on policies with the Inflation Guard rider and benefit period > 5 years as a series of increases over two or more years.*

Delaying implementation of rate increases on a block of business that requires rate adjustments results in the need for higher premium rate increases in the future. This will cause policyholders active at the time of the future rate increase to have a higher cumulative rate increase. Additionally, as stated in the above referenced letter, as the Bureau's counteroffer is below the requested increase, the Company does intend to file for future rate increases. As such, implementing the 55% increase as a series may unnecessarily delay future justified rate increase action.

For the reasons above, the Company would prefer to implement the 55% base increase as a single increase rather than as a series. However, the Company would be willing to consider implementing the approval as a series. The series would cumulative to a 56% rate increase, with a 30% increase implemented following approval and a 20% increase implemented 12 months after the first.

Please note, In the Company's letter dated May 7, 2019, the Company stated that we would accept the Bureau's offer of a 55% base increase for policies with benefit periods greater than 5 years. Can you please confirm that the approval offered by the Bureau continues to be in line this communication? The recent communication from the Bureau only addresses policies with an inflation guard rider and a benefit period greater than 5 year and does not address policies without an inflation guard rider and a benefit period greater than 5 years.

Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,

A handwritten signature in black ink, appearing to read 'D Keeler', is positioned above a horizontal line.

Deborah A. Keeler, ASA, MAAA
Senior Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

November 21, 2019

Bureau of Insurance
Virginia State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.
SERFF Tracking Number: GLTC-131254015**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 10/25/2019 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

1. *Please submit a post-submission update revising the proposed rate increase to a 55% base increase for all policies regardless of the benefit period length.*

While the Company firmly believes the requested 136.1% base rate increase and 218.8% IGR load increase are actuarially justified, the Company will accept the Commission's offer of a flat 55% base increase for all policies. This filing may not be appropriate for other purposes. As the Commission's offer is below the justified increase, the Company does intend to file to future rate increases. Acceptance of this counteroffer does not imply acceptance of the resulting lifetime loss ratio (i.e. the resulting lifetime loss ratio is not the new baseline for future rate increase requests).

Please find the updated post-submission submitted in SERFF.

2. *Please revise the supporting documentation actuarial memorandum, exhibits and rate request summary to adjust for the revised proposed rate increase of 55%.*

Please find the revised actuarial memorandum, rate sheets and rate request summary attached with this response reflecting the approved rate increase of 55%.

Please find **Exhibit 3d – Revised**, **Exhibit 3e – Revised**, and **Exhibit 3f – Revised** attached with this response for a demonstration of Virginia lifetime loss ratio with the impact of the approved rate increase of 55%.

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Elizabeth O'Brien', written in a cursive style.

Elizabeth A. O'Brien, FSA, MAAA
Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

Exhibit 3d - Revised
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with and without Active Inflation Guard Rider
Virginia Experience Before and After Virginia Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	1,564	0	0.0%
1998	18,807	0	0.0%
1999	25,627	0	0.0%
2000	34,881	44,762	128.3%
2001	39,654	10,963	27.6%
2002	46,788	0	0.0%
2003	49,661	0	0.0%
2004	56,637	19,385	34.2%
2005	55,935	0	0.0%
2006	64,170	0	0.0%
2007	68,445	0	0.0%
2008	63,927	0	0.0%
2009	62,120	195	0.3%
2010	58,256	157,253	269.9%
2011	58,069	149,166	256.9%
2012	69,632	0	0.0%
2013	67,705	12,174	18.0%
2014	63,856	2,231	3.5%
2015	54,966	5,543	10.1%
2016	47,198	283,545	600.8%

Projected Future Experience Before Virginia Approval				Projected Future Experience After Virginia Approval			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	44,531	59,364	133.3%	2017	44,531	59,364	133.3%
2018	41,929	63,361	151.1%	2018	44,825	63,168	140.9%
2019	39,354	67,825	172.3%	2019	53,817	66,303	123.2%
2020	36,882	72,786	197.4%	2020	51,704	70,558	136.5%
2021	34,526	79,121	229.2%	2021	48,401	76,241	157.5%
2022	32,295	87,603	271.3%	2022	45,274	83,942	185.4%
2023	30,188	98,482	326.2%	2023	42,320	93,895	221.9%
2024	28,203	112,255	398.0%	2024	39,538	106,561	269.5%
2025	26,341	128,327	487.2%	2025	36,927	121,384	328.7%
2026	24,589	146,443	595.6%	2026	34,471	138,127	400.7%
2027	22,931	165,167	720.3%	2027	32,147	155,465	483.6%
2028	21,358	186,852	874.8%	2028	29,942	175,577	586.4%
2029	19,855	211,883	1067.1%	2029	27,835	198,789	714.2%
2030	18,411	240,147	1304.4%	2030	25,810	224,913	871.4%
2031	17,011	267,023	1569.7%	2031	23,848	249,723	1047.1%
2032	15,649	290,928	1859.1%	2032	21,938	271,763	1238.8%
2033	14,317	308,092	2151.9%	2033	20,071	287,531	1432.6%
2034	13,013	321,423	2470.0%	2034	18,243	299,728	1643.0%
2035	11,740	325,164	2769.8%	2035	16,458	303,025	1841.2%
2036	10,500	325,900	3103.8%	2036	14,720	303,520	2062.0%
2037	9,303	321,926	3460.3%	2037	13,042	299,635	2297.4%
2038	8,157	316,241	3876.9%	2038	11,435	294,156	2572.3%
2039	7,072	301,176	4258.9%	2039	9,914	279,989	2824.2%
2040	6,056	277,559	4583.4%	2040	8,490	257,923	3038.1%
2041	5,121	250,234	4886.9%	2041	7,178	232,441	3238.1%
2042	4,271	223,659	5236.9%	2042	5,987	207,672	3468.6%
2043	3,511	199,226	5674.2%	2043	4,922	184,904	3756.5%
2044	2,843	172,966	6084.7%	2044	3,985	160,467	4026.7%
2045	2,264	146,160	6454.9%	2045	3,174	135,549	4270.1%
2046+	5,926	455,174	7680.4%	2046+	8,308	421,692	5075.6%

Present Values at 5%
Before Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	1,571,126	883,920	56.3%
Projected Future	374,928	2,742,899	731.6%
Lifetime Anticipated	1,946,053	3,626,819	186.4%

Present Values at 5%
After Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	1,571,126	883,920	56.3%
Projected Future	493,975	2,579,445	522.2%
Lifetime Anticipated	2,065,101	3,463,365	167.7%

Exhibit 3e - Revised
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies without Active Inflation Guard Rider
Virginia Experience Before and After Virginia Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	1,417	0	0.0%
1998	11,399	0	0.0%
1999	14,733	0	0.0%
2000	19,541	44,762	229.1%
2001	20,191	10,963	54.3%
2002	27,294	0	0.0%
2003	26,931	0	0.0%
2004	31,008	0	0.0%
2005	30,665	0	0.0%
2006	27,731	0	0.0%
2007	30,937	0	0.0%
2008	26,493	0	0.0%
2009	26,072	0	0.0%
2010	26,071	157,253	603.2%
2011	25,704	0	0.0%
2012	30,352	0	0.0%
2013	27,762	0	0.0%
2014	24,657	0	0.0%
2015	11,921	718	6.0%
2016	13,703	2,572	18.8%

Projected Future Experience Before Virginia Approval				Projected Future Experience After Virginia Approval			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	11,582	24,963	215.5%	2017	11,582	24,963	215.5%
2018	10,049	22,565	224.6%	2018	10,743	22,723	211.5%
2019	8,587	20,287	236.3%	2019	11,742	20,999	178.8%
2020	7,257	17,824	245.6%	2020	10,174	18,470	181.5%
2021	6,074	15,137	249.2%	2021	8,515	15,669	184.0%
2022	5,043	12,727	252.4%	2022	7,070	13,145	185.9%
2023	4,155	10,723	258.1%	2023	5,825	11,027	189.3%
2024	3,403	9,179	269.7%	2024	4,771	9,371	196.4%
2025	2,779	7,806	280.9%	2025	3,896	7,906	202.9%
2026	2,269	6,593	290.6%	2026	3,181	6,620	208.1%
2027	1,856	5,682	306.1%	2027	2,602	5,646	216.9%
2028	1,530	5,060	330.8%	2028	2,144	4,968	231.7%
2029	1,276	4,631	362.8%	2029	1,789	4,496	251.3%
2030	1,083	4,411	407.2%	2030	1,518	4,237	279.1%
2031	937	4,371	466.7%	2031	1,313	4,163	317.1%
2032	824	4,478	543.3%	2032	1,155	4,239	366.9%
2033	737	4,693	637.1%	2033	1,033	4,423	428.3%
2034	666	4,820	723.9%	2034	934	4,531	485.3%
2035	606	4,968	819.9%	2035	849	4,661	548.8%
2036	553	5,431	982.8%	2036	775	5,090	657.0%
2037	504	5,926	1177.0%	2037	706	5,550	786.3%
2038	457	6,424	1406.2%	2038	640	6,014	939.1%
2039	412	5,966	1449.4%	2039	577	5,585	967.8%
2040	368	5,456	1483.5%	2040	516	5,106	990.4%
2041	325	4,922	1513.6%	2041	456	4,606	1010.5%
2042	284	4,639	1634.1%	2042	398	4,341	1090.9%
2043	244	4,309	1764.3%	2043	342	4,033	1177.8%
2044	207	3,652	1765.7%	2044	290	3,418	1178.7%
2045	172	3,038	1763.4%	2045	242	2,843	1177.2%
2046+	522	9,192	1760.1%	2046+	732	8,603	1175.1%

Present Values at 5%
Before Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	739,357	342,825	46.4%
Projected Future	57,970	163,345	281.8%
Lifetime Anticipated	797,327	506,169	63.5%

Present Values at 5%
After Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	739,357	342,825	46.4%
Projected Future	73,356	163,871	223.4%
Lifetime Anticipated	812,713	506,696	62.3%

Exhibit 3f - Revised
Continental General Insurance Company
Policy Forms: 440 Series et al.
Base Policy and Riders excluding PAR and ROP Riders
Policies with Active Inflation Guard Rider
Virginia Experience Before and After Virginia Rate Increase
As of 12/31/2016

Historical Experience			
Year	Earned Premium	Incurred Claims	Loss Ratio
1997	147	0	0.0%
1998	7,408	0	0.0%
1999	10,894	0	0.0%
2000	15,340	0	0.0%
2001	19,463	0	0.0%
2002	19,494	0	0.0%
2003	22,730	0	0.0%
2004	25,629	19,385	75.6%
2005	25,270	0	0.0%
2006	36,439	0	0.0%
2007	37,508	0	0.0%
2008	37,434	0	0.0%
2009	36,047	195	0.5%
2010	32,186	0	0.0%
2011	32,366	149,166	460.9%
2012	39,281	0	0.0%
2013	39,943	12,174	30.5%
2014	39,199	2,231	5.7%
2015	43,044	4,825	11.2%
2016	33,495	280,972	838.9%

Projected Future Experience Before Virginia Approval				Projected Future Experience After Virginia Approval			
Year	Earned Premium	Incurred Claims	Loss Ratio	Year	Earned Premium	Incurred Claims	Loss Ratio
2017	32,948	34,401	104.4%	2017	32,948	34,401	104.4%
2018	31,880	40,796	128.0%	2018	34,082	40,445	118.7%
2019	30,767	47,538	154.5%	2019	42,074	45,304	107.7%
2020	29,624	54,962	185.5%	2020	41,530	52,088	125.4%
2021	28,452	63,984	224.9%	2021	39,886	60,573	151.9%
2022	27,251	74,876	274.8%	2022	38,204	70,796	185.3%
2023	26,032	87,759	337.1%	2023	36,495	82,868	227.1%
2024	24,800	103,075	415.6%	2024	34,767	97,190	279.5%
2025	23,561	120,521	511.5%	2025	33,030	113,477	343.6%
2026	22,320	139,850	626.6%	2026	31,290	131,507	420.3%
2027	21,075	159,485	756.8%	2027	29,544	149,820	507.1%
2028	19,829	181,793	916.8%	2028	27,798	170,609	613.8%
2029	18,579	207,251	1115.5%	2029	26,046	194,293	746.0%
2030	17,328	235,736	1360.5%	2030	24,291	220,675	908.4%
2031	16,075	262,652	1633.9%	2031	22,535	245,560	1089.7%
2032	14,824	286,450	1932.3%	2032	20,782	267,523	1287.3%
2033	13,580	303,399	2234.1%	2033	19,038	283,108	1487.0%
2034	12,347	316,603	2564.2%	2034	17,309	295,198	1705.4%
2035	11,134	320,196	2875.9%	2035	15,608	298,364	1911.6%
2036	9,947	320,469	3221.6%	2036	13,945	298,430	2140.0%
2037	8,800	315,999	3591.0%	2037	12,336	294,085	2383.9%
2038	7,700	309,817	4023.4%	2038	10,795	288,142	2669.2%
2039	6,660	295,210	4432.5%	2039	9,337	274,404	2939.0%
2040	5,688	272,103	4783.8%	2040	7,974	252,816	3170.5%
2041	4,795	245,313	5115.6%	2041	6,723	227,835	3389.1%
2042	3,987	219,020	5493.4%	2042	5,589	203,330	3637.9%
2043	3,267	194,917	5966.5%	2043	4,580	180,871	3949.3%
2044	2,636	169,314	6423.6%	2044	3,695	157,049	4250.2%
2045	2,092	143,122	6841.2%	2045	2,933	132,706	4524.8%
2046+	5,404	445,982	8252.5%	2046+	7,576	413,089	5452.5%

Present Values at 5%
Before Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	831,769	541,095	65.1%
Projected Future	316,957	2,579,555	813.8%
Lifetime Anticipated	1,148,726	3,120,650	271.7%

Present Values at 5%
After Virginia Rate Increase

Virginia	Earned Premium	Incurred Claims	Loss Ratio
Historical	831,769	541,095	65.1%
Projected Future	420,620	2,415,574	574.3%
Lifetime Anticipated	1,252,388	2,956,670	236.1%

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Reset Form

Company Name and NAIC Number: Continental General Insurance Company, NAIC #71404

SERFF Tracking Number: GLTC-131254015

Effective Date: On approval, as allowed per regulation.

Revised Rates

Average Annual Premium Per Member: 3,931

Average Requested Percentage Rate Change Per Member: 55.0%

Minimum Requested Percentage Rate Change Per Member: 55.0%

Maximum Requested Percentage Rate Change Per Member: 55.0%

Number of Policy Holders Affected : 18

Plans Affected

(The Form Number and “Product Name”)

Form#

“Product Name”(if applicable)

440	N/A
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Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

Please see the attached Summary of Key Information.

This document is intended to help explain the rate filing and it is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.

Summary of Key Information

The main drivers of the rate increase need on policy forms 440 et al. are increased persistency and increased morbidity compared to that assumed at the time of original pricing. Policyholders are retaining their policies longer than was anticipated when these products were initially priced, which is resulting in more policies reaching advanced ages at which claims occur more frequently and with higher severity.

The rate increase justified for these policy forms was determined on a fully prospective basis using best estimate assumptions. The assumptions and methods used to calculate the justified rate increase need are summarized in more detail in Section IV and Section V of the Actuarial Memorandum.

Continental General Insurance Company
Individual Long Term Care Insurance Policy Forms:
440, 442, 443, 444, 445, 446, 448, 449

The Company has revised the structure of its rate sheets to demonstrate the Inflation Guard Rider rates in dollars rather than factor loads. Rate sheets are provided for base and base with the Inflation Guard Rider. These rate sheets provide a better representation of the premiums being charged to policyholders with these benefits.

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	65	59	50	89	80	65	105	98	83
50-54	68	62	53	92	83	68	108	101	86
55-59	95	86	74	129	117	95	159	147	126
60	150	135	111	194	176	147	236	221	194
61	156	138	117	200	182	156	252	233	203
62	165	147	123	209	191	159	261	243	209
63	176	156	126	224	203	171	279	261	227
64	191	168	135	236	215	179	297	276	236
65	218	194	156	279	255	215	347	323	282
66	243	215	171	303	276	230	381	353	303
67	261	233	188	335	303	252	420	390	335
68	288	258	209	368	335	282	458	426	371
69	314	279	224	405	368	306	512	476	405
70	341	303	249	444	405	338	561	522	447
71	381	338	273	491	447	371	617	573	488
72	417	371	300	546	497	414	681	632	540
73	455	405	332	611	555	461	761	708	611
74	500	444	365	675	614	512	837	779	672
75	558	497	402	752	684	567	929	866	740
76	617	549	447	840	764	632	1,034	960	822
77	687	611	497	933	849	705	1,151	1,071	920
78	755	672	549	1,034	942	782	1,269	1,181	1,016
79	828	737	602	1,128	1,028	858	1,392	1,295	1,116
80	902	801	653	1,224	1,113	936	1,515	1,407	1,218
81	975	866	705	1,319	1,199	1,013	1,638	1,521	1,319
82	1,049	929	758	1,415	1,286	1,089	1,761	1,635	1,421
83	1,122	993	810	1,509	1,371	1,166	1,883	1,748	1,521
84	1,196	1,058	863	1,604	1,457	1,242	2,006	1,862	1,623

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
 Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
 Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit
Including Inflation Guard Rider**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
Age	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	106	97	82	146	131	106	173	161	136
50-54	109	100	85	148	134	109	175	163	139
55-59	151	137	118	206	187	151	254	235	202
60	237	213	175	306	277	232	372	348	306
61	245	217	184	313	285	245	396	365	318
62	259	231	193	327	299	250	410	382	327
63	274	243	197	349	316	267	435	407	353
64	297	262	211	367	335	278	463	431	367
65	337	300	242	432	395	332	537	500	437
66	377	332	265	470	428	356	591	546	470
67	402	358	289	515	467	388	647	601	515
68	444	397	321	566	515	434	705	656	571
69	480	427	342	620	562	468	783	728	620
70	521	464	381	679	620	516	858	799	684
71	575	510	412	741	675	559	931	865	736
72	621	552	447	814	740	617	1,015	941	805
73	673	599	491	904	821	682	1,126	1,048	904
74	729	648	532	986	896	747	1,222	1,137	981
75	809	720	583	1,090	992	822	1,346	1,255	1,072
76	888	791	644	1,210	1,099	909	1,488	1,382	1,184
77	982	873	710	1,334	1,214	1,008	1,645	1,532	1,315
78	1,071	954	780	1,468	1,338	1,110	1,802	1,676	1,442
79	1,167	1,038	848	1,590	1,449	1,210	1,963	1,825	1,574
80	1,262	1,121	914	1,714	1,558	1,310	2,121	1,970	1,705
81	1,355	1,203	980	1,833	1,666	1,407	2,277	2,114	1,833
82	1,447	1,281	1,045	1,952	1,774	1,503	2,430	2,256	1,960
83	1,537	1,360	1,110	2,067	1,878	1,597	2,579	2,394	2,084
84	1,626	1,438	1,173	2,181	1,981	1,689	2,727	2,532	2,207

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Home Health Care Rider Per \$10 Daily Benefit, 5 Day Elimination Period**

Age	Base Plan			Base Plan With Inflation Guard Rider		
	2 Year	4 Year	Unlimited	2 Year	4 Year	Unlimited
	Maximum	Maximum	Maximum	Maximum	Maximum	Maximum
45-49	38	50	80	62	82	131
50-54	38	53	83	61	85	134
55-59	44	65	105	70	103	168
60	53	77	123	83	121	194
61	56	83	132	87	130	207
62	59	89	141	92	139	221
63	62	92	147	96	143	229
64	68	98	156	105	152	243
65	71	108	171	109	167	265
66	74	114	182	114	177	281
67	80	120	191	122	185	293
68	83	129	206	127	199	316
69	92	138	221	140	211	337
70	98	147	236	149	225	360
71	105	156	252	159	236	381
72	114	168	270	170	250	402
73	123	185	294	182	273	435
74	129	200	320	188	291	466
75	141	215	344	204	311	498
76	153	233	374	220	335	538
77	168	255	408	240	365	583
78	182	273	435	258	388	618
79	197	294	473	277	415	666
80	212	326	522	296	456	731
81	230	347	555	319	482	771
82	246	368	590	339	507	814
83	264	390	623	362	534	853
84	279	411	657	379	559	894

Premium Modal Factors

Semi-Annual:	0.520 of Annual Rate	Monthly Direct:	0.090 of Annual Rate
Quarterly:	0.265 of Annual Rate	Monthly B.O.M.:	0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
Age	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	100	91	77	137	123	100	163	151	128
50-54	105	95	81	142	128	105	167	156	133
55-59	146	133	114	200	181	146	246	228	195
60	233	209	172	300	272	228	365	342	300
61	242	214	181	309	281	242	391	360	314
62	256	228	191	323	295	246	405	377	323
63	272	242	195	346	314	265	432	405	351
64	295	260	209	365	332	277	460	428	365
65	337	300	242	432	395	332	537	500	437
66	377	332	265	470	428	356	591	546	470
67	405	360	291	518	470	391	651	605	518
68	446	400	323	570	518	437	709	660	574
69	486	432	346	628	570	474	793	737	628
70	528	470	386	688	628	523	870	809	693
71	591	523	423	760	693	574	956	888	756
72	646	574	465	846	770	642	1,056	979	837
73	704	628	514	946	860	714	1,179	1,097	946
74	774	688	565	1,046	951	793	1,297	1,207	1,042
75	865	770	623	1,165	1,060	879	1,439	1,342	1,146
76	956	851	693	1,302	1,183	979	1,602	1,488	1,274
77	1,065	946	770	1,446	1,316	1,093	1,783	1,660	1,425
78	1,169	1,042	851	1,602	1,460	1,211	1,967	1,830	1,574
79	1,283	1,142	932	1,748	1,593	1,330	2,158	2,006	1,730
80	1,397	1,242	1,011	1,897	1,725	1,451	2,348	2,181	1,888
81	1,511	1,342	1,093	2,044	1,858	1,569	2,539	2,358	2,044
82	1,625	1,439	1,174	2,192	1,993	1,688	2,730	2,534	2,202
83	1,739	1,539	1,256	2,339	2,125	1,807	2,918	2,709	2,358
84	1,853	1,639	1,337	2,485	2,258	1,925	3,109	2,885	2,516

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit
Including Inflation Guard Rider**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	165	150	127	226	203	165	269	249	211
50-54	170	154	132	230	207	170	271	252	215
55-59	234	212	182	320	290	234	394	365	312
60	367	331	272	474	430	360	577	540	474
61	380	336	285	485	442	380	613	566	493
62	402	358	299	507	464	387	635	591	507
63	424	377	305	540	490	413	675	631	548
64	461	406	326	569	519	432	718	667	569
65	523	465	375	670	613	515	832	775	678
66	584	515	411	728	663	551	915	847	728
67	623	555	448	798	723	602	1,003	931	798
68	687	616	498	877	798	673	1,092	1,017	884
69	743	662	530	960	872	726	1,213	1,128	960
70	808	719	591	1,053	960	800	1,330	1,238	1,060
71	892	790	639	1,148	1,046	867	1,443	1,341	1,141
72	963	856	693	1,261	1,147	956	1,573	1,458	1,247
73	1,043	929	760	1,400	1,273	1,056	1,745	1,624	1,400
74	1,130	1,005	825	1,528	1,388	1,158	1,894	1,762	1,521
75	1,254	1,116	903	1,689	1,537	1,274	2,087	1,945	1,662
76	1,376	1,225	998	1,875	1,704	1,410	2,307	2,143	1,835
77	1,523	1,353	1,100	2,068	1,882	1,563	2,550	2,374	2,038
78	1,661	1,479	1,208	2,275	2,073	1,720	2,793	2,598	2,235
79	1,810	1,610	1,315	2,465	2,246	1,875	3,042	2,829	2,439
80	1,956	1,738	1,416	2,656	2,415	2,031	3,288	3,053	2,643
81	2,101	1,865	1,519	2,841	2,582	2,181	3,529	3,277	2,841
82	2,243	1,986	1,620	3,026	2,750	2,329	3,767	3,497	3,038
83	2,383	2,109	1,720	3,204	2,911	2,475	3,997	3,711	3,230
84	2,520	2,229	1,818	3,380	3,070	2,618	4,228	3,924	3,421

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440

Home Health Care Rider Per \$10 Daily Benefit, 5 Day Elimination Period

Age	Base Plan			Base Plan With Inflation Guard Rider		
	2 Year	4 Year	Unlimited	2 Year	4 Year	Unlimited
	Maximum	Maximum	Maximum	Maximum	Maximum	Maximum
45-49	58	77	123	96	127	203
50-54	58	81	128	94	132	207
55-59	67	100	163	108	160	260
60	81	119	191	129	187	301
61	86	128	205	135	201	321
62	91	137	219	142	215	343
63	95	142	228	149	221	355
64	105	151	242	163	236	377
65	109	167	265	169	259	411
66	114	177	281	177	274	436
67	123	186	295	190	286	455
68	128	200	319	197	308	491
69	142	214	342	217	327	523
70	151	228	365	231	349	558
71	163	242	391	246	365	590
72	177	260	419	263	388	624
73	191	286	456	282	423	674
74	200	309	495	292	451	723
75	219	332	532	317	482	772
76	237	360	579	341	519	834
77	260	395	632	372	565	904
78	281	423	674	399	601	957
79	305	456	732	429	643	1,033
80	328	505	809	459	706	1,133
81	356	537	860	494	747	1,196
82	381	570	914	526	786	1,261
83	409	605	965	561	828	1,322
84	432	637	1,018	588	866	1,385

Premium Modal Factors

Semi-Annual:	0.520 of Annual Rate	Monthly Direct:	0.090 of Annual Rate
Quarterly:	0.265 of Annual Rate	Monthly B.O.M.:	0.085 of Annual Rate

Continental General Insurance Company
Form NF-RPU
Nonforfeiture Benefit Rider

Policy Form 440

<u>Issue Ages</u>	<u>Premium Percentages %</u>
45-54	20
55-59	18
60-64	16
65-69	15
70-74	14
75-79	13
80-84	12

CONTINENTAL GENERAL INSURANCE COMPANY

Home Office:

P.O. Box 203098
Austin, Texas 78720-3098

Actuarial Memorandum for Premium Rate Increases for

Continental General Insurance Company

Individual Long-Term Care Insurance Policy Forms:

440, 442, 443, 444, 445, 446, 448, 449, 450, 460, 461, 462, 463, 470, 471

NFO Riders: NF-RPU(Q), NF-RPU(Q)(A), NF-RPU(Q), NFB, NBR, et al.

Benefit Increase Riders: GPO-E, GPO-R, et al.

Inflation Guard Riders: IG(Q)-1, IG(Q)-1(SC), IG(Q)-1(A), IG(Q)-1(449), IG(Q)-1(2),
IG-R, et al.

HHC Riders: HC(Q), HC(Q)(A), et al.

Miscellaneous Riders: CC(Q), SPAR, TQA-R, et al.

One-Time Return of Premium Riders: PAR, PAR(A), et al.

Perpetual Return of Premium Rider: RP(LTC)10-1, et al.

I. Purpose of Filing

The purpose of this rate filing is to support and request a 136.1% rate increase on the Base Policy Forms and Riders for the above listed policy form series, and to support and request a 218.8% rate increase on the Inflation Guard Rider (IGR) percentage load. This filing may not be appropriate for other purposes.

Details on the methodology for calculating the unfunded gap in future liabilities and the resulting overall rate increase can be found in Section IV below.

As shown in **Exhibit 3a** which has been included with this filing, the projected lifetime loss ratio for Base Policy Forms and Non-ROP Riders, assuming implementation of the rate increases justified Nationwide, is 91.4%.

II. Policyholder Options to Mitigate Impact of Premium Rate Increases

Offers for Policyholders with Perpetual Return of Premium Riders: RP(LTC)10-1

In order to mitigate the impact of the increases on policyholders with Return of Premium riders, the Company will implement a program in which the policyholder will have the choice to surrender their ROP benefit for value, while keeping their Base Policy and other non-ROP Riders in force. The offer will vary by the duration within the 10-year ROP "cycle" as follows:

- For policyholders in durations with a scheduled ROP benefit of 0%, the offer will be 100% of cumulative paid ROP Rider premium within the current 10-year ROP cycle, less the value of any policyholder benefits paid within the current 10-year ROP cycle.
- For policyholders in durations with a scheduled ROP benefit greater than 0% (except for duration 10), the offer will be the scheduled ROP benefit + 10%, less the value of any policyholder benefits paid within the current 10-year ROP cycle.
- For policyholders in duration 10, the offer will be the scheduled ROP benefit.

Under the predominant ROP payment schedule, the ROP offers assuming no policyholder benefits having been paid within the 10-year ROP duration “cycle” will be as follows:

	% of Cumulative ROP Rider Premium					% of Total Cumulative Premium				
Duration	1	2	3	4	5	6	7	8	9	10
Refund %	100%	100%	100%	100%	100%	25%	40%	55%	70%	80%

Optional Policyholder offers to Reduce Benefits

In addition, the Company will give policyholders Benefit Reduction Offers to help mitigate the impact to policyholders of the premium rate increase on the Base policy. The Benefit Reduction Offers will allow the policyholder to:

1. Lower their lifetime maximum benefit,
2. Lower their daily benefit,
3. Increase their elimination period.

Non-forfeiture Offers

In addition, the Company will give the policyholder the option to accept a shortened benefit period. Acceptance of this offer will provide the policyholder with a paid-up policy, with no future premiums required. Under this paid-up policy, the maximum benefit amount is equal to the greater of the sum of premiums paid less any benefits paid by a Return of Premium or Premium Accrual Benefit Rider or 30 times their daily benefit, and the daily benefit amount is equal to the policyholder’s current daily benefit amount. This non-forfeiture benefit shall not exceed the policyholder's remaining unused Maximum Lifetime Benefit at the time of conversion. Each day any benefits are received will count as one full day toward the completion of the shortened benefit period. This offer will be made to all policyholders.

III. Scope of Filing

This filing applies to active premium-paying policies issued in this state for the policy forms listed above. These forms are no longer being marketed in any state and the Company is no longer selling any new Long-Term Care Insurance. **Exhibit 1** provides a distribution by state of the number of lives and associated annualized premium for active premium-paying lives as of 12/31/2016 under these policy forms. The annualized premium inforce Nationwide as of 12/31/2016 was 7,515,807. A breakdown of lives affected by this filing in this state is shown in **Appendix A**.

Please note that experience associated with the Return of Premium (ROP) Rider has been excluded from this filing.

IV. Premium Rate Increase Justification

A rate increase is necessary at this time because Company experience on its Long-Term Care Insurance business indicates that the premium rates for these policy forms are inadequate. Premium rate increases that help to remediate poorly performing blocks of business and limit any future losses are important to maintaining the Company's ability to meet policyholder obligations and pay future claims.

A. Rate Increase Formula: Gap Analysis

The current projected earned premium shortfall, or "Gap," is calculated as the present value of future claims and expenses less the present value of future premium and the active life reserve as of 12/31/2016. Please note that experience associated with lives that are currently in a paid-up status due to a non-forfeiture benefit has been excluded from the calculation of the Gap Analysis. The Nationwide justified premium rate increase is calculated as the rate increase necessary so that the projected gap is zero.

Formulaically, Gap Analysis can be described as calculating the rate increase that would satisfy the equation below on a strictly prospective basis:

$$PV \text{ Incurred Claims} + PV \text{ Expenses} = PV \text{ Earned Premium} + \text{Active Life Reserves}$$

B. Nationwide Justified Rate Increase

The Nationwide justified increase is the rate increase which would satisfy Gap Analysis given actual Nationwide experience. As demonstrated in the table below, a rate increase of 101.4% on the Base policy form and riders combined with a rate increase of 152.8% on the Inflation Guard Rider percentage load would result in a projected Gap of \$0.0M. Values in the table below are shown in millions of dollars.

	<i>Base Increase: 101.4%</i> <i>IGR Load Increase: 152.8%</i>	
	Before Increase	After Increase
Nationwide Active Life Reserve (ALR)	77.6	77.6
Present Value of Nationwide Projected Earned Premium	54.9	116.8
Present Value of Nationwide Projected Future Expenses	11.7	12.2
Present Value of Nationwide Projected Incurred Claims	178.6	182.2
Expected Earned Premium Shortfall (Gap)	57.8	0

The impact of the Nationwide justified rate increase is demonstrated in **Exhibit 3a** through **Exhibit 3c**. In **Exhibit 3a** through **Exhibit 3c**, the values in the "Projected Future Experience After Nationwide Justified Rate Increase" section reflect the expected increase in Earned Premium, Waived Premium, and Premium-based claims and expenses given implementation of the above premium rate increases on 6/1/2018. These cash flows also include the impact of shock lapse, benefit reductions, anti-selection, and non-forfeiture residual liability resulting from the rate increase. These assumptions are described in more detail in Section V below.

C. State-specific justified rate increases

State-specific justified rate increases are calculated to achieve equity across states with respect to the total amount of rate increases that will have been implemented in each state. In order to calculate the rate increase needed for this state specifically, the following formula was used:

$$\frac{(1 + \text{Nationwide Rate Increase Need})(1 + \text{Nationwide Cumulative Rate Increase to Date})}{(1 + \text{State-Specific Cumulative Rate Increase to Date})} - 1.$$

This formula was applied separately for the base policy rate increase need and the IGR Load rate increase need. Details of this calculation can be found in **Appendix A**.

D. Minimum Loss Ratio Requirement

Although the rate increases in this filing are not calculated to achieve a target loss ratio, this filing demonstrates that, even after implementation of the Nationwide justified rate increases, both the projected future loss ratio and the lifetime anticipated loss ratio for these forms are higher than the required minimum loss ratio and therefore benefits are reasonable in relation to premiums. The required minimum loss ratio for these policy forms is as follows:

Type of Coverage:	Long-Term Care Insurance
Renewal Clause:	Guaranteed Renewable
Required Minimum Loss Ratio:	60%

The current lifetime anticipated loss ratio is 110.3%; assuming the rate increases justified Nationwide are approved, the lifetime anticipated loss ratio will be 91.4%. These lifetime loss ratios are demonstrated in **Exhibit 3a**.

V. Actuarial Assumptions

The actuarial assumptions used to project the future premiums and claims are described in this section. **Appendix D** provides further details of the experience studies conducted that were used to develop the actuarial assumptions.

A. Interest

A 5.0% annual rate of interest has been assumed for accumulating historical experience and for discounting projected future experience to present values.

B. Mortality

The best estimate future mortality assumption is 100% of the Annuity 2000 Basic Table with mortality steepening factors applied, historical mortality improvement, and selection factors. Historical mortality improvement was assumed equal to 0.6% per year, with 2000 as the central year. The mortality assumption, including selection factors and historical mortality improvement, is based on industry expectations.

C. Voluntary Lapse

The voluntary lapse assumptions were developed from a policy persistency study conducted on the Company's experience on these forms and judgment. Lapse rates are combined with mortality rates to derive the total termination rate. In addition, benefit exhaustion rates were calculated and added to reflect policy termination when a person exhausts his benefit period. It

is assumed all remaining policies would terminate at attained age 120. The lapse assumptions represent the best estimate expectations of future experience and do not include any provisions for adverse experience. All policies in this form series are currently in durations 14+, for which the lapse rates shown below are applicable. Lapse rates vary by marital status, inflation versus non-inflation and ROP versus non-ROP. The table below shows the detailed applicable lapse assumptions.

Ultimate Lapse Rate				
	Married		Single	
Duration	Inflation	Non-Inflation	Inflation	Non-Inflation
14	0.29%	0.84%	1.52%	1.73%
15+	0.24%	0.70%	1.26%	1.44%

Additional multiplier to apply to Lapse Rates for Gender	
Gender	Multiplier
Female	85.0%
Male	135.0%

For policies with an active ROP rider, an additional shock lapse rate of 10% is assumed in addition to the above-noted lapsed rates at durations 11, 21, 31, etc.

D. Morbidity Rates

The morbidity assumptions are based on a combination of the Company's historical claim experience on these forms from 2009 through 6/30/2016, the Milliman *2014 Long-Term Care Guidelines (Guidelines)* and judgment. The *Guidelines* reflect over \$25 billion of insured data and the experience and judgment of Milliman actuaries. The claim cost assumptions reflect the Company's current best estimate of future morbidity. In setting the morbidity assumptions, the policy design, underwriting and claim adjudication practices have been taken into consideration. The baseline assumptions do not include any adverse selection resulting from the rate increase, loads for moderately adverse experience, or future morbidity improvement.

E. Claim Reserves

The incurred claims shown in the Nationwide historical experience include paid claims, DLR, ICOS, and IBNR.

F. Expenses

The projected future experience uses the following expense assumptions:

Premium Tax – 2.5% of Paid Premium

Maintenance Expense – \$155 per insured with 2.0% inflation per year

Claim Expense – 3.5% of Base Paid Claims

Commissions – 16.0% of Paid Premium at the Original Premium Rate Level for 440 Series;
5.0% of Paid Premium at the Original Premium Rate Level for 460 Series

G. Shock Lapse

At the time the justified premium rate increases become effective, the additional shock lapse is assumed to be 10.0% for lives without an active Inflation Guard Rider and 10.0% for lives with

an active Inflation Guard Rider. The shock lapse is in addition to the base lapse assumption for that projection period. The “shock lapse” effect of the rate increases is assumed to temporarily increase voluntary lapses in the year that the rate increases are implemented. The shock lapse is reflected in the projected future experience after the justified rate increase in **Exhibit 3a** through **Exhibit 3c**.

H. Benefit Reductions

As described in Section II, the Company will give policyholders Benefit Reduction Offers to help mitigate the impact to policyholders of the premium rate increase. The impact of benefit reductions due to the justified increases is assumed to be 2.0% for lives without an active Inflation Guard Rider and 3.1% for lives with an active Inflation Guard Rider. These percentages are reflected in the projected future experience after the justified rate increase in **Exhibit 3a** through **Exhibit 3c**.

I. Anti-Selection

Policyholders in poor health tend to keep their current policies, while those in better health may be more likely to lapse. This results in anti-selection. This is modeled in our exhibit as a 1.6% morbidity load for lives without an active Inflation Guard Rider and a 1.6% morbidity load for lives with an active Inflation Guard Rider. These percentages are reflected in the projected future experience after the Nationwide rate increase in **Exhibit 3a** through **Exhibit 3c**.

J. Non-forfeiture (NFO) Residual Liability

The residual NFO liability captures the future claims expected to be incurred on policies which elect the non-forfeiture benefit. The impact of the ultimate residual NFO liability due to the Nationwide justified increases is assumed to be 0.8% for lives without an active Inflation Guard Rider and 0.8% for lives with an active Inflation Guard Rider. These percentages are reflected in the projected future experience after the justified rate increase in **Exhibit 3a** through **Exhibit 3c**.

As stated above, it is known that policyholders in poor health tend to keep their current policies, while those in better health may be more likely to lapse or elect the NFO benefit. The residual NFO liability is expected to grade up over time as this selection effect wears off. Given the grading, the initial residual NFO liability is 20% of the ultimate rate, grading up to the ultimate rate over 10 years.

VI. Rate Increase History

Prior approved rate increases for these policy forms in this state are summarized in **Appendix A**.

VII. Effective Date

Policyholder notification of the rate increases will begin as soon as possible subject to state insurance department approval with the additional condition that no policyholder will receive the rate increases sooner than one year after receiving a previous rate increase.

VIII. Premium Profile

The state-specific average total annualized premiums, per insured (including riders), before and after the justified premium rate increases are shown in **Appendix A**. The state-specific average total annualized

premiums, per insured (including riders), before and after the approved premium rate increases are shown in **Appendix A - Revised**.

IX. Historical and Projected Future Experience

Exhibit 2a through **Exhibit 2f** present historical experience since inception by “incurred year,” or “loss year,” for these policy forms and riders as of 12/31/2016. **Exhibit 2a** through **Exhibit 2c** contain Nationwide experience and **Exhibit 2d** through **Exhibit 2f** contain the experience for only those policies sold in this state.

Future experience has been projected for 2017 and every year thereafter, as presented in **Exhibit 3a** through **Exhibit 3f**. In these exhibits, please note that the paid claims have been discounted with interest from the claim payment date back to the incurred date of the claim.

The present values of earned premium and incurred claims, discounted at 5.0% after application of the Nationwide justified rate increase and resulting shock lapse, benefit reductions, anti-selection, and NFO residual liability, are summarized in **Exhibit 3a** through **Exhibit 3c**. **Exhibit 3d** through **Exhibit 3f** contain the historical and projected experience, both with and without the impact of the justified rate increase, for only those policies sold in this state.

The lifetime anticipated loss ratio is defined as the present value of the historical and projected future claims divided by the present value of the historical and projected future earned premiums. Please note, the historical and projected experience demonstrated in **Exhibit 3a** through **Exhibit 3f** does include lives that are currently in a paid-up status due to election of a non-forfeiture benefit.

X. Summary of Appendices

Multiple Appendices have been included with this filing. They are detailed below.

Appendix A contains information that is specific to the state in which this filing is made, such as the average annual premium, the number of policyholders inforce, etc. Similar information for Nationwide is also contained in this Appendix.

Appendix B contains a summary of the benefits included under each policy form grouping.

Appendix C contains a summary of the demographic distributions for inforce policies issued Nationwide as of 12/31/2016.

Appendix D contains a detailed summary of the development of the projection assumptions.

Appendix E contains a comparison of the actual total termination rates to both the original pricing assumptions and current assumptions.

XI. Summary of Exhibits

Multiple Exhibits have been included with this filing. They are detailed below.

Exhibit 1 contains the breakdown of policy counts, annualized premium, and average premium for all inforce policies by state under these products. This is shown for all policies, policies with active inflation riders, and policies without active inflation riders.

Exhibit 2a contains the historical Nationwide experience for all policies issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2b contains the historical Nationwide experience for all policies without an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2c contains the historical Nationwide experience for all policies with an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2d contains the historical Virginia experience for all policies issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2e contains the historical Virginia experience for all policies without an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 2f contains the historical Virginia experience for all policies with an inflation rider issued under these products by calendar year and duration. The presented experience excludes the ROP rider.

Exhibit 3a contains historical and projected Nationwide experience for all policies issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Nationwide justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3b contains historical and projected Nationwide experience for all policies without an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Nationwide justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3c contains historical and projected Nationwide experience for all policies with an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Nationwide justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3d contains historical and projected Virginia experience for all policies issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Virginia justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3e contains historical and projected Virginia experience for all policies without an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with and without the impact of the Virginia justified rate increase for these policies. The presented experience excludes the ROP rider.

Exhibit 3f contains historical and projected Virginia experience for all policies with an active inflation rider issued under these products. The exhibit also includes the projected lifetime loss ratios both with

and without the impact of the Virginia justified rate increase for these policies. The presented experience excludes the ROP rider.

XII. Accepted Rate Action

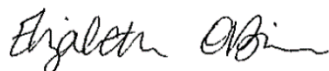
While the Company firmly believes the requested 136.1% base rate increase and 218.8% IGR load increase are actuarially justified, the Company will accept the Commission's offer of a flat 55% base increase for all policies. This filing may not be appropriate for other purposes. As the Commission's offer is below the justified increase, the Company does intend to file to future rate increases. Acceptance of this counteroffer does not imply acceptance of the resulting lifetime loss ratio (i.e. the resulting lifetime loss ratio is not the new baseline for future rate increase requests).

Revised Exhibit 3d through **Exhibit 3f** are attached showing historical and projected Virginia experience both with and without the impact of the 55.0% base rate increase for all policies.

Rate sheets are attached showing premium rates after 55.0% base increase for all policies. Please note, rate sheets do not demonstrate percentage loads to add inflation protection, but instead have dollar amounts. Premium rates will be increased by an amount equivalent to 55.0% base increase for all policies.

XIII. Actuarial Certification

I hereby certify that, to the best of my knowledge and belief, the rate filing submitted herein is in compliance with all applicable laws and regulations of the state in which it is filed and that it complies with applicable Actuarial Standards of Practice, including Actuarial Standard of Practice Number 8. I further certify that the anticipated loss ratio submitted herein is expected to develop over the period for which the rates are computed to provide coverage and the benefits are reasonable in relation to the premiums charged.



Elizabeth A. O'Brien, FSA, MAAA
Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Continental General Insurance Company
Appendix A - Revised
Policy Forms: 440 Series et al.
State-Specific Filing Information

Virginia

Approved Base Rate Increase: 55.0% for all policies.

1. Virginia Lives Affected by Requested Rate Increase (Section III in Actuarial Memorandum)

Total Virginia lives affected by this filing: 18

Virginia lives with an active Inflation Guard Rider affected by this filing: 15

2. Calculation of Requested Rate Increase for Virginia (Section IV in Actuarial Memorandum)

Rate Increase Need for Base Policies and Riders

Required Nationwide Rate Increase for Base Policies and Riders: 101.4%

Cumulative Virginia Rate Increase to Date: 206.8%

Cumulative Nationwide Rate Increase to Date: 259.6%

Base Rate Increase Necessary for Virginia: 136.1%

Rate Increase Need for Inflation Guard Rider Percentage Load

Required Nationwide Rate Increase for the IGR Percentage Load: 152.8%

Cumulative Virginia Rate Increase to Date: 0.0%

Cumulative Nationwide Rate Increase to Date: 26.1%

IGR Percentage Load Increase Necessary for Virginia: 218.8%

3. Virginia Rate Increase History (Section VI in Actuarial Memorandum)

Base Rate History

Form 440 104.5% in 2005, 50.0% in 2011

ROP & IGR Rate History

Form 440

4. Premium Profile (Section VIII in Actuarial Memorandum)

The average annual premium for these forms and associated riders, prior to the proposed rate increase, is:

Policies without an active Inflation Guard Rider:

Virginia \$4,082

Nationwide \$3,260

Policies with an active Inflation Guard Rider:

Virginia \$2,227

Nationwide \$3,356

The average annual premium for this form and associated riders, after the proposed rate increase, is:

Policies without an active Inflation Guard Rider:

Virginia \$6,327

Policies with an active Inflation Guard Rider:

Virginia \$3,452



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

December 20, 2019

Bureau of Insurance
Virginia State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.
SERFF Tracking Number: GLTC-131254015**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 11/22/2019 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

1. *Please remove the current rate sheets from the proposed rate sheets and place the current rate sheets under the Supporting Documentation tab.*

The current rate sheets have been removed from the proposed rate sheets and placed under the Supporting Documentation tab as requested.

2. *Please review the proposed rates and confirm that the proposed rates represent a 55% increase over the current rates. The proposed rates do not appear to have been changed.*

Please find the revised proposed rate sheets under the Rate/Rule Schedule Tab reflecting the approved rate increase of 55%.

3. *Please review the Company Rate Information and revise the Minimum, Maximum and Overall % Change under the Rate/Rule Schedule tab to match the revised rate increase of 55%.*

Please find the updated post-submission submitted in SERFF.

4. *The proposed rates contain Form NF-RPU (Nonforfeiture Benefit Rider) that does not appear under the Affected Form Numbers section of the Rate/Rule Schedule. As this rider is not subject to the proposed rate increase, it should be separate from the Form 440 proposed rates and listed as a separate Item No. The Rate Action should be "Other" and the Percent Rate Change Request should be 0%.*

The Form NF-RPU (Nonforfeiture Benefit Rider) has been listed as a separate item under Rate/Rule Schedule tab as requested.

5. *Please explain why forms IG(Q)-1 and HC(Q) are listed under the Affected Form Numbers. We could not find any associated proposed rates for those two forms.*

IG(Q)-1 and HC(Q) are Inflation Guard Rider and Home Health Care Rider, respectively. The Company has revised the structure of rate sheets to demonstrate the Inflation Guard Rider rates in dollars rather than factor loads. Rate sheets are provided for base and base with the Inflation Guard Rider as well as for the Home Health Care Rider base and base with Inflation Guard Rider.

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

6. *Please revise the actuarial memorandum for this filing to list only the forms affected by this proposed rate revision (i.e. 440, IG(Q)-1, HC(Q), PAR and GPO). Otherwise, please provide an explanation for all the various forms listed at the beginning of the actuarial memorandum.*

440, IG(Q)-1, HC(Q), PAR and GPO are forms and riders available for Virginia policies affected by this proposed rate revision. Other forms and riders listed at the beginning of the Actuarial Memorandum are forms and riders available for all Nationwide policies. The Nationwide experience associated with policy forms and riders listed at the beginning of the Actuarial Memorandum was used to support this rate filing.

Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elizabeth O'Brien', is written above a horizontal line.

Elizabeth A. O'Brien, FSA, MAAA
Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

Continental General Insurance Company
Individual Long Term Care Insurance Policy Forms:
440, 442, 443, 444, 445, 446, 448, 449

The Company has revised the structure of its rate sheets to demonstrate the Inflation Guard Rider rates in dollars rather than factor loads. Rate sheets are provided for base and base with the Inflation Guard Rider. These rate sheets provide a better representation of the premiums being charged to policyholders with these benefits.

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	65	59	50	89	80	65	105	98	83
50-54	68	62	53	92	83	68	108	101	86
55-59	95	86	74	129	117	95	159	147	126
60	150	135	111	194	176	147	236	221	194
61	156	138	117	200	182	156	252	233	203
62	165	147	123	209	191	159	261	243	209
63	176	156	126	224	203	171	279	261	227
64	191	168	135	236	215	179	297	276	236
65	218	194	156	279	255	215	347	323	282
66	243	215	171	303	276	230	381	353	303
67	261	233	188	335	303	252	420	390	335
68	288	258	209	368	335	282	458	426	371
69	314	279	224	405	368	306	512	476	405
70	341	303	249	444	405	338	561	522	447
71	381	338	273	491	447	371	617	573	488
72	417	371	300	546	497	414	681	632	540
73	455	405	332	611	555	461	761	708	611
74	500	444	365	675	614	512	837	779	672
75	558	497	402	752	684	567	929	866	740
76	617	549	447	840	764	632	1,034	960	822
77	687	611	497	933	849	705	1,151	1,071	920
78	755	672	549	1,034	942	782	1,269	1,181	1,016
79	828	737	602	1,128	1,028	858	1,392	1,295	1,116
80	902	801	653	1,224	1,113	936	1,515	1,407	1,218
81	975	866	705	1,319	1,199	1,013	1,638	1,521	1,319
82	1,049	929	758	1,415	1,286	1,089	1,761	1,635	1,421
83	1,122	993	810	1,509	1,371	1,166	1,883	1,748	1,521
84	1,196	1,058	863	1,604	1,457	1,242	2,006	1,862	1,623

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Annual Premiums Per \$10 Daily Benefit
Including Inflation Guard Rider**

Age	Two Year Benefit Period			Four Year Benefit Period			Unlimited Benefit Period		
	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day	0 Day	30 Day	100 Day
Age	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination	Elimination
45-49	106	97	82	146	131	106	173	161	136
50-54	109	100	85	148	134	109	175	163	139
55-59	151	137	118	206	187	151	254	235	202
60	237	213	175	306	277	232	372	348	306
61	245	217	184	313	285	245	396	365	318
62	259	231	193	327	299	250	410	382	327
63	274	243	197	349	316	267	435	407	353
64	297	262	211	367	335	278	463	431	367
65	337	300	242	432	395	332	537	500	437
66	377	332	265	470	428	356	591	546	470
67	402	358	289	515	467	388	647	601	515
68	444	397	321	566	515	434	705	656	571
69	480	427	342	620	562	468	783	728	620
70	521	464	381	679	620	516	858	799	684
71	575	510	412	741	675	559	931	865	736
72	621	552	447	814	740	617	1,015	941	805
73	673	599	491	904	821	682	1,126	1,048	904
74	729	648	532	986	896	747	1,222	1,137	981
75	809	720	583	1,090	992	822	1,346	1,255	1,072
76	888	791	644	1,210	1,099	909	1,488	1,382	1,184
77	982	873	710	1,334	1,214	1,008	1,645	1,532	1,315
78	1,071	954	780	1,468	1,338	1,110	1,802	1,676	1,442
79	1,167	1,038	848	1,590	1,449	1,210	1,963	1,825	1,574
80	1,262	1,121	914	1,714	1,558	1,310	2,121	1,970	1,705
81	1,355	1,203	980	1,833	1,666	1,407	2,277	2,114	1,833
82	1,447	1,281	1,045	1,952	1,774	1,503	2,430	2,256	1,960
83	1,537	1,360	1,110	2,067	1,878	1,597	2,579	2,394	2,084
84	1,626	1,438	1,173	2,181	1,981	1,689	2,727	2,532	2,207

Premium Modal Factors

Semi-Annual: 0.520 of Annual Rate
Quarterly: 0.265 of Annual Rate

Monthly Direct: 0.090 of Annual Rate
Monthly B.O.M.: 0.085 of Annual Rate

CONTINENTAL GENERAL INSURANCE COMPANY

P.O. Box 203098 • Austin, Texas 78720-3098 • (866) 830-0607

Policy Form 440**Home Health Care Rider Per \$10 Daily Benefit, 5 Day Elimination Period**

Age	Base Plan			Base Plan With Inflation Guard Rider		
	2 Year	4 Year	Unlimited	2 Year	4 Year	Unlimited
	Maximum	Maximum	Maximum	Maximum	Maximum	Maximum
45-49	38	50	80	62	82	131
50-54	38	53	83	61	85	134
55-59	44	65	105	70	103	168
60	53	77	123	83	121	194
61	56	83	132	87	130	207
62	59	89	141	92	139	221
63	62	92	147	96	143	229
64	68	98	156	105	152	243
65	71	108	171	109	167	265
66	74	114	182	114	177	281
67	80	120	191	122	185	293
68	83	129	206	127	199	316
69	92	138	221	140	211	337
70	98	147	236	149	225	360
71	105	156	252	159	236	381
72	114	168	270	170	250	402
73	123	185	294	182	273	435
74	129	200	320	188	291	466
75	141	215	344	204	311	498
76	153	233	374	220	335	538
77	168	255	408	240	365	583
78	182	273	435	258	388	618
79	197	294	473	277	415	666
80	212	326	522	296	456	731
81	230	347	555	319	482	771
82	246	368	590	339	507	814
83	264	390	623	362	534	853
84	279	411	657	379	559	894

Premium Modal Factors

Semi-Annual:	0.520 of Annual Rate	Monthly Direct:	0.090 of Annual Rate
Quarterly:	0.265 of Annual Rate	Monthly B.O.M.:	0.085 of Annual Rate



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

February 10, 2020

Bureau of Insurance
Virginia State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.
SERFF Tracking Number: GLTC-131254015**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 02/03/2020 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

- 1. Please revise the Long Rate Request Summary to the proposed rate increase of 55%. Please conform that the actuarial memorandum and all supporting exhibits have been updated to reflect revised proposed increase of 55%.*

The Long Term Care Insurance Rate Request Summary was revised to include the 55% and was submitted in the section labeled "Response to Objection Dated 10/25/2019". It has been resubmitted under the "Long Term Care Insurance Rate Request Summary" header. Additionally, the updated actuarial memorandum and supporting exhibits were attached under the section labeled "Response to Objection Dated 10/25/2019" with the supporting exhibits attached to the **440 Objection 6 Response – VA**.

Thank you for reviewing the information provided herein; if you have any additional questions, please feel free to contact the Company.

Sincerely,

A handwritten signature in black ink that reads 'Cameron Zima'.

Cameron Zima
Senior Actuarial Analyst I
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

May 6, 2020

Bureau of Insurance
Virginia State Corporation Commission
PO Box 1157
Richmond, Virginia 23218

**RE: Continental General Insurance Company
Rate Revision Filing on Individual Long-Term Care Insurance
Policy Forms: 440 et al.
SERFF Tracking Number: GLTC-131254015**

Dear Mr. Dismore:

Thank you for your correspondence via SERFF on 02/03/2020 regarding the rate revision filing for the above referenced policy forms. The following will address the Department's requests:

1. *Pursuant to 14VAC5-200-75 A. 4. the policyholder letter must include a statement that the policyholder has the right to a revised premium rate or rate schedule if the premium rate or rate schedule is changed.*

We believe this is addressed on the cover page of the rate increase notification letter. The premium box discloses what the new premium will be as a result of the rate increase and the following sentences will disclose pre-approvals (if applicable) as well as future rate action. Can the State please provide additional clarification on what type of "revised premium rate or rate schedule" communication they are referring to if the referenced pieces of the letter do not fulfill this requirement?

2. *14VAC5-200-75 A. 2. requires that the policyholder letter contain an explanation of potential future premium rate revisions and the policyholder's option in the event of a premium rate revision.*

A sentence has been added under the premium box on the cover page to disclose that the Company anticipates the need to request additional premium increases in the future. Additionally, the first and second page of the letter contain information regarding potential rate revisions and policyholder options. The section titled "Why your premium is increasing" describes why there is a rate increase and discloses "If these claim trends continue, the Company may need to increase your premiums again.". This is followed by a section titled "What options you have" which details the policyholder's options as a result of a premium rate revision.

3. *The full and proper corporate name of the insurer must prominently appear on the first page of all forms pursuant to 14VAC5-101-60 2. The corporate name text size should be a least as large as the largest text size in the policyholder letter. Please increase the text size for "Continental General Insurance Company."*

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

The text size for "Continental General Insurance Company" in the upper left hand corner of the first page has been increased to size 12 font. This is consistent with the largest text size in the policyholder letter.

4. *Please explain if the [Template ID] that appears on page 1, upper right corner of the letter is included on the actual letter that is mailed to the policyholder. If it is not included, please remove this from the policyholder letter forms since this would mean the policyholder letter form is not in its final format. If it does appear on the letter that is mailed, please explain the various Template ID numbers that are used and the definition of each in the SOV.*

The Template ID in the upper right hand corner on page 1 is included on the actual letter mailed to the policyholder. This field is used internally to determine which letter template is used for each policy. The Statement of Variability has been updated to reflect a more detailed description of the template ID.

5. *Please state all the form numbers to which this certification applies. We cannot accept "et al". The certification should list all forms under the Form Schedule tab to which this filing applies.*

Please see the updated **440 Certificate of Compliance – VA**.

6. *The address, phone, fax numbers should be bracketed in the footer since this same information is bracketed within the letter. Please add an explanation for this to the Statement of Variability as well.*

The address, phone, and fax numbers in the footer have been bracketed and added to the Statement of Variability.

7. *We are unable to accept the Readability Report as it does not contain the form number to which it is applicable, a statement that attests that the readability score is applicable to the form, nor a signature by an officer of the Company and the date signed . If you revise the readability report to include the missing items we will be able to reconsider this.*

Please see the document **VA Readability Compliance Certification - CGI 440**.

8. *4 Parts:*
 - a. *At the top of page 5, [BENEFIT REDUCTION FORM...] is bracketed but the bracketed item is not explained on the Statement of Variability (SOV). Our concern would be addressed if page numbers 5 and 6 were made variable and explained on the SOV.*

The noted brackets have been removed. Those brackets were around the entirety of pages 5 and 6 in the original letter because those pages are not always included based on the policyholder's current benefits. Since these pages are filed as a separate form, the brackets have been removed and it is instead noted on the Statement of Variability

that this form is only sent to policyholders who have benefits that can be reduced in order to lower their premium.

- b. *There are a number of bracketed items on page 5 and 6, which contain the Benefit Reduction Form, that are not explained on the SOV. Please check to see if all bracketed items are explained. For example, on page 5 [Rate Increase Effective Date + 120 Days] is missing.*

The explanation for [Rate Increase Effective Date + 120 Days] has been updated in the SOV.

- c. *The last sentence on page 5 which states, "This rate increase will be effective on your premium due date of [date]." does not have [date] listed on the SOV.*

The explanation for [date] has been updated in the SOV.

- d. *Page 6 there are a number of Benefit Reduction Options that are listed as variable as wells as the amount of benefit or number of days (i.e. [xxx.xxx.xx]; \$[xxx,xxx.xx] and [xxx Days]. These items need to be added to the SOV and the variances explained.*

These had not been included previously as separate fields because we believed they were addressed in the paragraph at the top of the SOV: "Note that member-specific information in this notice such as benefit reduction options, associated benefit levels and premium quotes may vary between policy issues and therefore, are not detailed below." . The noted fields have been added to the SOV as requested.

9. *As required in 14VAC5-200-75 D 2(b), provide a disclosure that all premium reduction options may not be of equal value. Since this is a disclosure required by the regulations, the statement should appear more prominent than the surrounding text (i.e. bold text, italics).*

This disclosure is on the Benefit Reduction Form and has been added to the FAQ page as well.

10. *Please clarify if any of the active VA policyholders have purchased a Nonforfeiture benefit as a rider that is attached to the policy, pursuant to § 38.2-5210. Nonforfeiture benefit.*

If there are active Nonforfeiture Benefit riders, please expand the explanation to include a section pertaining to this rider in the Frequently Asked Questions section of the policyholder notification letter, under "If I choose not to pay future premiums, what happens to my coverage?"

There are no CGI policyholders with the embedded benefit.



P.O. Box 203098
Austin, TX 78720-3098
Toll Free: (866) 830-0607
Fax: (888) 769-0737

Thank you for reviewing the information provided herein. If you have any additional questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Madison P. Nahrup', written over a horizontal line.

Madison P. Nahrup, ASA, MAAA
Associate Actuary
Continental General Insurance Company
11001 Lakeline Blvd, Suite 120
Austin, Texas 78717

Long-term care administrator for:
Great American Life Insurance Company®
Loyal American Life Insurance Company®

Statement of Variability
Continental General Insurance Company
CGI – RINC(VA)(0120)

The following items are indicated as variable items in form CGI – RINC(VA)(0120).

Page	Variable Items	Justification
Page 1	<p>[Template ID]</p> <p>[P.O. Box 203098 Austin, TX 78720-3098]</p> <p>[Today's Date]</p> <p>[Name]</p>	<p>This is a field that is used internally to determine which of the bracketed wording variations below are included in the letter for each policyholder. This template id will be of the format CGIRI[PA][MFI][OBR][IGR]5VA5, where the bracketed pieces included will vary based on the rate increase approval and whether or not benefit reductions will be included in the letter for the policyholder.</p> <p>The Company address is stated as variable in case of a change in the future.</p> <p>The letters are printed at different times based on the effective date of the policyholder's rate increase. The date the letter is printed will determine the date that is used here.</p> <p>The first name and last name at the beginning of the letter are the name of the policyholder to whom the letter is being mailed.</p>

<p>Page 1, continued</p>	<p>[Address Line 1], [Address Line 2], [Address Line 3], [City, State, Zip Code]</p> <p>[XXXXXXXXXX]</p> <p>[Rate Increase Effective Date]</p> <p>[Modal]</p> <p>[\$X,XXX.XX]</p> <p>[XX]%</p> <p>[The Company will be implementing a [XX]% increase to your premium rates approximately one year after the current increase.]</p> <p>[P.O. Box 203098 • Austin, TX 78720-3098 • Toll Free: (866) 830-0607 • Fax: (888) 769-0737]</p>	<p>The address information used here will vary based on the policyholder's mailing address.</p> <p>This field will reflect the policyholder's policy number.</p> <p>The date used here will vary based on the policyholder's premium payment dates.</p> <p>The mode used here will vary based on the policyholder's premium payment schedule.</p> <p>These fields will reflect the current modal premium and new modal premium for the policyholder.</p> <p>This field will reflect the rate increase percentage impacting the policyholder's premiums.</p> <p>There are different methods that a rate increase can be implemented. This statement will be used if the approval we receive from the state is to be implemented in multiple phases.</p> <p>The Company address is stated as variable in case of a change in the future.</p>
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Page 2	<p>[2. Lower your premium by choosing to lower your coverage limits This option allows you to lower your coverage limits to lower your premium. Examples of available options are enclosed for your review on the Benefit Reduction Form, but additional options may be available by calling Us toll-free at [866-830-0607]. If you would like to choose one of the provided options, please return the completed form back to Us in the envelope provided.]</p> <p>[3.]</p> <p>[866-830-0607]</p> <p>[W. Travis Simpson] [Senior Vice President and Chief Operating Officer]</p> <p>[Enclosures]</p>	<p>This section will only be shown to policyholders who have benefits that can be reduced in order to lower their premium.</p> <p>This is bracketed because the numbering will reflect "2." in cases where the bracketed benefit reduction option is excluded from the letter based on the policyholder's benefits.</p> <p>This is the company's current toll-free phone number. It has been bracketed in case of a future change to company contact information.</p> <p>These fields are variable in the event of a future change.</p> <p>Form CGI – RINC(VA)(0120)-CNFO will be included in the mailings for all policyholders. Form CGI-RINC(VA)(0120)-BR will be included for policyholders who have benefits that can be reduced in order to lower their premium.</p>
Page 2, continued		
Page 3	<p>[Rate Increase Effective Date]</p> <p>[Rate Increase Effective Date + 120 Days]</p>	<p>The date used here will vary based on the policyholder's premium payment dates.</p> <p>The date used here will vary based on the policyholder's premium payment dates.</p>

	<p>[www.scc.virginia.gov/BOI]</p> <p>[866-830-0607]</p>	<p>This field is variable in the event of a future change.</p> <p>This is the company's current toll-free phone number. It has been bracketed in case of a future change to company contact information.</p>
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Statement of Variability
Continental General Insurance Company
CGI – RINC(VA)(0120)-BR

The following items are indicated as variable items in form CGI – RINC(VA)(0120)-BR. Note that member-specific information in this notice such as benefit reduction options, associated benefit levels and premium quotes may vary between policy issues. This form will only be included with the rate increase notice for policyholders who have benefits that can be reduced in order to lower their premium.

Page	Variable Items	Justification
Page 5	<p>[866-830-0607]</p> <p>[If you choose to cancel your Return of Premium Benefit Rider (ROP) by selecting the appropriate option on the reverse side of this page, the Company will provide you with a one-time cash benefit that is no less than the benefit described in your policy and will remove the rider from your policy. Please call the toll-free number above to receive more information regarding your one-time cash benefit.</p> <p>Choosing to cancel your ROP rider will not impact the status of your base policy and any additional riders attached to your policy.</p> <p>The one-time cash benefit is a limited time offer. The Company must be properly notified of your intent to cancel your ROP rider between now and [Rate Increase Effective Date + 120 Days]. If you choose to cancel your ROP rider after [Rate Increase Effective Date + 120 Days], the benefits associated with this change will be based on the ROP provisions included in your policy. This rate increase will be effective on your premium due date of [date].]</p> <p>[Rate Increase Effective Date +120 Days]</p> <p>[date]</p>	<p>This is the company's current toll-free phone number. It has been bracketed in case of a future change to company contact information.</p> <p>This statement only pertains to policyholders with the Return of Premium rider.</p> <p>This field will vary based on the policyholder's premium payment dates.</p> <p>This field will vary based on the policyholder's premium payment dates.</p>

Page 6	<p data-bbox="354 237 492 268">[\$X,XXX.XX]</p> <p data-bbox="354 504 704 535">[Rate Increase Effective Date]</p> <p data-bbox="354 724 829 756">[You can choose more than one option.]</p> <p data-bbox="354 945 521 976">[\$XXX,XXX.XX]</p> <p data-bbox="354 1207 483 1239">[\$XXX,XXX]</p> <p data-bbox="354 1581 467 1612">[\$XXX.XX]</p>	<p data-bbox="1138 237 1328 405">This field will reflect the new modal premium for the policyholder.</p> <p data-bbox="1138 489 1369 657">The date used here will vary based on the policyholder's premium payment dates.</p> <p data-bbox="1138 699 1349 909">This sentence will only be included when there are multiple benefit reduction options shown.</p> <p data-bbox="1138 951 1356 1182">These fields will reflect the new modal premium for the policyholder if the benefit reduction is elected.</p> <p data-bbox="1138 1224 1359 1539">These fields will reflect the original and reduced maximum lifetime benefits for the downgrade maximum lifetime benefit reduction option.</p> <p data-bbox="1138 1581 1359 1875">These fields will reflect the original and reduced maximum daily benefits for the downgrade maximum daily benefit reduction option.</p>
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<p>Page 6, ctd.</p>	<p>[XXX Days]</p> <p>[Policy Number]</p> <p>[Policy Holder Name]</p>	<p>These fields will reflect the original and increased elimination periods for the increase elimination period benefit reduction option.</p> <p>This field will reflect the policyholder's policy number.</p> <p>This field will reflect the policyholder's name.</p>
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Statement of Variability
Continental General Insurance Company
CGI – RINC(VA)(0120)-CNFO

The following items are indicated as variable items in form CGI – RINC(VA)(0120)-CNFO.

Page	Variable Items	Justification
Page 7	<p>[If you have a Return of Premium Benefit Rider on your policy, this rider will be canceled, and you will receive the one-time cash benefit associated with cancelling this rider.]</p> <p>[Rate Increase Effective Date + 120 Days]</p> <p>[866-830-0607]</p> <p>[Policy Number]</p> <p>[Policy Holder Name]</p> <p>[7]</p>	<p>This statement only pertains to policyholders with the Return of Premium rider.</p> <p>The date used here will vary based on the policyholder's premium payment dates.</p> <p>This is the company's current toll-free phone number. It has been bracketed in case of a future change to company contact information.</p> <p>This field will reflect the policyholder's policy number.</p> <p>This field will reflect the policyholder's name.</p> <p>The page number will change to 5 in cases where the Benefit Reduction Form is not included with the rate increase notice.</p>

VIRGINIA READABILITY COMPLIANCE CERTIFICATION

Insurer: Continental General Insurance Company
P. O. Box 203098, Austin, Texas 78720-3098
NAIC #71404

Title of Form: Rate Increase Notification
To Go With Individual Long-Term Care Insurance Policy Forms: 440, 442, 443, 444, 445, 446,
448, 449, 450, 460, 461, 462, 463, 470, 471

Form #	Form Title and Description
CGI – RINC(VA)(0120)	Rate Increase Notification This is the first 4 pages of the rate increase notification letter. It includes the cover page containing the rate increase overview and the Frequently Asked Questions.
CGI – RINC(VA)(0120) – BR	Benefit Reduction Form This is a 2-page form. It contains the page describing how to lower coverage limits to lower premiums as well as the page containing benefit reduction quotes and the signature line if they choose to elect one of the options.
RINC(VA)(0120)-CNFO	Contingent Nonforfeiture Benefit Form This is a 1-page form. It describes how the contingent nonforfeiture benefit works and has a signature line if they choose to elect this option.

All three documents mentioned above will be stapled together as one document.

I hereby certify that the Flesh Reading Ease Score of the *Rate Increase Notification Letter* is 53.8. It contains:

215 Sentences 1959 Words 3292 Syllables 11 Point Type

I also certify to the best of my knowledge and belief that the form is in compliance with Section 38.2-3404 of the Code of Virginia and with the Rules and Regulations for Simplified and Readable Accident and Sickness Insurance Policies adopted pursuant thereto.



Signature of Officer

Elizabeth A. Lovaas
Printed Name of Officer

Secretary
Title

May 6, 2020
Date

Continental General Insurance Company

[P.O. Box 203098
Austin, TX 78720-3098]

[TEMPLATE ID]

[Name]
[Address Line 1]
[Address Line 2]
[Address Line 3]
[City, State, Zip Code]

[Today's Date]

Re: Your Long-Term Care Policy Premium is Increasing

Policy No.: [XXXXXXXXXX]

Dear Policy Holder:

The premium for your long-term care policy is going to increase. This letter explains:

- When and how much your premium is increasing
- Why your premium is increasing
- What options you have

When and how much your premium is increasing:

This change will occur on your premium due date of [Rate Increase Effective Date].

Current [Modal] Premium [\$X,XXX.XX]	New [Modal] Premium [\$X,XXX.XX]	Rate Increase Percentage [XX]%
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[The Company will be implementing a [XX]% increase to your premium rates approximately one year after the current increase.] The Company currently anticipates the need to request additional premium increases in the future.

Why your premium is increasing:

People are living longer, and the cost of long-term care has risen. As a result, more people are filing claims, and their claims are more expensive than when the Company set a price for your policy. It has become necessary for the Company to increase the premiums for your long-term care policy. If these claim trends continue, the Company may need to increase your premiums again.

These trends are not related to your own claim experience, but the experience of all the people who bought this kind of long-term care coverage.

What options you have:

You have several options available. You can:

1. Pay the higher premium and keep your coverage limits the same

Your premium change will automatically occur on [Rate Increase Effective Date] with no changes to your coverage. No action is needed from you.

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2. **Lower your premium by choosing to lower your coverage limits**

This option allows you to lower your coverage limits to lower your premium. Examples of available options are enclosed for your review on the Benefit Reduction Form, but additional options may be available by calling Us toll-free at [866-830-0607]. If you would like to choose one of the provided options, please return the completed form back to Us in the envelope provided.] [

3. **Stop paying premiums by choosing the Contingent Nonforfeiture benefit**

This option allows you to stop paying premium completely in exchange for reducing how long your long-term care policy provides coverage. Your maximum lifetime benefits are shortened. Additional information is enclosed on the Contingent Nonforfeiture Benefit Form. If you would like to choose this option, please return the completed form back to Us in the envelope provided.

Included are some Frequently Asked Questions that should answer many of your questions and concerns about this premium change. If you have additional questions, call Us toll-free at [866-830-0607], and our Client Services Department can help.

Sincerely,

[W. Travis Simpson]

[Senior Vice President and Chief Operating Officer]

[Enclosures]

FREQUENTLY ASKED QUESTIONS

My premiums are being increased. Is this allowed?

Yes, the Company can change your premiums. Page 1 of your policy discusses when and how premium rates may be changed. This premium change has been filed with the Department of Insurance. The rate increase request was reviewed by the State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at [\[www.scc.virginia.gov/BOI\]](http://www.scc.virginia.gov/BOI).

Can the Company delay making my premium increase effective until I decide which option is best for me?

No. All people who bought this type of policy must be treated similarly. We cannot delay the premium change on an individual basis.

If I choose to lower my coverage limits to lower my premium, how long do I have to pick an option?

You may change your coverage at any time. If you choose any of the options on the Benefit Reduction Form, the change will occur on the premium due date [Rate Increase Effective Date], unless you notify the Company otherwise. **Please note that all benefit reduction options may not be of equal value.**

If I choose not to pay future premiums, what happens to my coverage?

Your policy is guaranteed renewable. This means that your coverage is protected if you pay your premiums. If you do not pay your premium when it is due, your current coverage will lapse, i.e. terminate.

If you lapse your policy from the date of this letter until [Rate Increase Effective Date + 120 Days], the Contingent Nonforfeiture benefit will automatically apply with no action from you. This benefit will allow your daily benefit amount and elimination period to remain the same, but the maximum lifetime benefits will be shortened. This is not a cash value. Additional information about this benefit can be found on the Contingent Nonforfeiture Benefit Form.

My premiums are taken directly from my bank account. Do I need a new Pre-Authorized Checking form?

No, your existing authorization will allow us to deduct the correct premium from your account.

How does this impact me if my premiums are being waived?

If your premiums are currently being waived, the new premium will also be waived until you are no longer eligible for waiver of premium, as stated in your policy. You will begin to pay the adjusted premium when you return to a premium paying status.

I still have questions. How do I get these questions answered?

Call us toll-free at [866-830-0607], and our Client Services Department can help. Our office hours are Monday through Thursday, 9 a.m. to 6 p.m. EST, and Friday, 9:00 a.m. to 3:00 p.m. EST.

BENEFIT REDUCTION FORM

This form will explain how to lower your coverage limits to lower your premiums. Once you have lowered your coverage, you will not be able to increase your coverage in the future. **Please review your coverage to make sure changes are in your best interest especially if you are on claim or may be eligible to be on claim.**

Some options are shown on the back of this page. If you choose to change your coverage to one of these options, please indicate which option. Sign and date the form and return it back to Us in the envelope provided.

Please note that this is only a **quote** for these changes to your coverage. Actual premiums may be slightly different.

Other options may be available to you. If you would like to hear about other options available, please call Us at [866-830-0607]. Our Client Services Department can help.

[If you choose to cancel your Return of Premium Benefit Rider (ROP) by selecting the appropriate option on the reverse side of this page, the Company will provide you with a one-time cash benefit that is no less than the benefit described in your policy and will remove the rider from your policy. Please call the toll-free number above to receive more information regarding your one-time cash benefit.

Choosing to cancel your ROP rider will not impact the status of your base policy and any additional riders attached to your policy.

The one-time cash benefit is a limited time offer. The Company must be properly notified of your intent to cancel your ROP rider between now and [Rate Increase Effective Date + 120 Days]. If you choose to cancel your ROP rider after [Rate Increase Effective Date + 120 Days], the benefits associated with this change will be based on the ROP provisions included in your policy. This rate increase will be effective on your premium due date of [date].]

Your premium will increase to [\$X,XXX.XX] on [Rate Increase Effective Date]. If you would like to lower your coverage to one of the options shown below, please check the box. **Please note that all benefit reduction options may not be of equal value.** [You can choose more than one option.] Sign and date at the bottom of the form and return this page to Us in the envelope provided.

[Benefit Reduction Option 1 – Cancel Return of Premium Benefit Rider]

☐ Premium After Cancelling Rider \$[xxx,xxx.xx]]

[Benefit Reduction Option [2] – Downgrade Maximum Lifetime Benefit]

Original Nursing Home Benefit \$[xxx,xxx]
Reduced Nursing Home Benefit \$[xxx,xxx]

Original Home Health Care Benefit \$[xxx,xxx]
Reduced Home Health Care Benefit \$[xxx,xxx]

☐ Premium After Reducing Benefit \$[xxx,xxx.xx]
☐ Premium After Reducing Benefit and Cancelling ROP Rider \$[xxx,xxx.xx]]

[Benefit Reduction Option [3] – Downgrade Maximum Daily Benefit]

Original Nursing Home Daily Benefit \$[xxx.xx]
Reduced Nursing Home Daily Benefit \$[xxx.xx]

Original Home Health Care Daily Benefit \$[xxx.xx]
Reduced Home Health Care Daily Benefit \$[xxx.xx]

☐ Premium After Reducing Benefit \$[xxx,xxx.xx]
☐ Premium After Reducing Benefit and Cancelling ROP Rider \$[xxx,xxx.xx]]

[Benefit Reduction Option [4] – Increase Elimination Period]

Current Elimination Period [xxx Days]
Increased Elimination Period [xxx Days]

☐ Premium After Increasing Elimination Period \$[xxx,xxx.xx]
☐ Premium After Increasing Elimination Period and Cancelling ROP Rider \$[xxx,xxx.xx]]

By signing below, I am authorizing Continental General Insurance Company to lower my coverage as indicated by the Option(s) selected/checked above.

Signature: _____ Date: _____

Signature of Spouse (if applicable): _____ Date: _____

Policy No. [Policy Number] Policy Holder Name: [Policy Holder Name]

CONTINGENT NONFORFEITURE BENEFIT FORM

This form will explain the Contingent Nonforfeiture benefit in detail. Do not complete this form if you have chosen to lower your coverage limits or if you want to keep your current coverage limits.

What is this benefit:

The Contingent Nonforfeiture benefit allows you to stop paying premium completely in exchange for shortening how long your policy provides coverage.

How long is my new coverage:

If you choose the Contingent Nonforfeiture benefit, the maximum lifetime benefit provided by your policy will be the total of all premiums you have paid for this policy and any riders less any benefits paid by a Return of Premium Benefit Rider or Premium Accrual Benefit Rider. If you have paid less than thirty (30) times the daily benefit amount in effect, your maximum lifetime benefit will be thirty (30) times the daily benefit amount in effect when the Contingent Nonforfeiture Benefit is chosen.

The total claims paid by this policy will not be more than the maximum lifetime benefit available on the policy prior to choosing this benefit.

What happens to the rest of my coverage:

The Contingent Nonforfeiture benefit shortens how long your policy provides coverage. Your maximum daily benefits and elimination periods will remain at the levels in effect at the time you chose this benefit. If you have an inflation protection rider on your policy, your daily benefits will be frozen and will not continue to increase. [If you have a Return of Premium Benefit Rider on your policy, this rider will be canceled, and you will receive the one-time cash benefit associated with cancelling this rider.]

If you go on claim, each day you receive any benefits will count as one full day towards your maximum lifetime benefit.

How do I choose this benefit:

To choose the Contingent Nonforfeiture benefit you may:

1. Sign and date the Contingent Nonforfeiture Benefit Form and return to Us using the provided envelope.
2. Lapse your policy between now and [Rate Increase Effective Date + 120 Days]. No additional action is required by you for the Contingent Nonforfeiture benefit to apply.

If you have questions, call Us toll-free at [866-830-0607], and our Client Services Department can help.

By signing below, I am electing the Contingent Nonforfeiture Benefit and am authorizing Continental General Insurance Company to convert my policy to a paid-up status with no further premiums due.

Signature: _____ Date: _____

Signature of Spouse (if applicable): _____ Date: _____

Policy No. [Policy Number] Policy Holder Name: [Policy Holder Name]